

16th June 2023

BSE LIMITED Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001 Scrip Code: BSE – AJANTPHARM 532331	National Stock Exchange of India, Exchange Plaza, 5 th Floor, Plot no. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Scrip Code: NSE AJANTPHARM EQ
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Sub.: Regulation 34 - Annual Report for financial year 2022-23

Dear Sir/Madam,

We hereby inform that the Forty-Fourth Annual General Meeting ('AGM') of the Company will be held on Tuesday, 18th July 2023 at 11.00 a.m. through Video Conferencing or Other Audio-Visual Means.

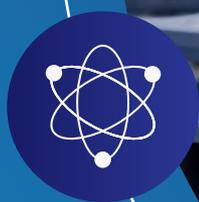
Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report and Business Responsibility & Sustainability Report of the Company for the financial year 2022-23 along with Notice of the AGM.

The Annual report, Business Responsibility & Sustainability Report and the Notice of AGM are being sent through electronic mode to members whose e-mails ids are registered and the same are also uploaded on the Company's website www.ajantapharma.com/ajanta/Investors/annual_results/?year=2022-23.

Kindly take the same on your records.

Yours faithfully,

GAURANG SHAH*VP - Legal & Company Secretary*



Relying on
Strength.
Building on
Strategy.

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at a Glance



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Notice



More information at www.ajantapharma.com

Relying on Strength. Building on Strategy.



► Packaging line for tablets

As a formidable force in the Branded Generics segment across multiple markets worldwide, we strategise to grow faster than the market. We achieve this by penetrating deeper into our chosen therapies, while constantly realigning our focus on geographies that promise higher potential.

Our ability to leverage market insights to develop differentiated products and establish successful brands globally summarises our strengths and market position. While we continue to capitalise on our strengths, we remain powered by a strong strategic framework that helps us propel growth and stay ahead of the curve.

Highlights of the year

₹ 3,743 cr.
Revenue

₹ 783 cr.
EBITDA

₹ 588 cr.
PAT



Ajanta Pharma at a Glance

Renowned Branded Generics Pharma Company

We are a well-diversified pharma Company, with a strong presence in chronic-focused Branded Generics businesses across India, Africa, and Asia. Our success is fuelled by our strategy to launch differentiated products for the first time in the markets, which has consistently enabled us to outgrow the market. We take pride in our front-end model, which leverages our network of skilled medical representatives to drive sales growth. We remain committed to bringing innovative products into our focused therapeutic areas.



Vision

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



Mission

To serve global healthcare needs through Empathy, Innovation, and Technology

► Participation in Dermatology Conference



► Guwahati Plant, Assam

73%
Branded Generics

500+
Products

30+
Countries

7,700+
Ajantaites Worldwide

Shareholding Highlights (as on 31 March 2023)

66%
Promoters

25%
Institutional

9%
Indian Public

Letter to Stakeholders

Creating a Differentiated Branded Generics Portfolio

Dear Stakeholders,

You would be pleased to know that Ajanta was conferred two prestigious recognitions during the year – each confirming our best practices in business and people.

The first one was from the world-renowned consulting firm, Deloitte, who conferred us with the “Best Managed Companies for 2022” award. It was a result of a rigorous evaluation process, with benchmarking against the best of the Indian companies.

Our second prestigious recognition was getting into the elite league of people-friendly companies i.e. “Great Place to Work”. It was very satisfying to get the recognition from Great Place to Work Institute which validated our people practices against the best globally.

For the last decade-and-a-half, we, at Ajanta have been standing tall, backed by our resilience, vision, and future readiness. Our strong suit has been our ability to build formidable brands across markets. We attribute this to our excellence in market intelligence, in addition to our adherence to ‘go-to-market’. Our growth story is powered by our exemplary R&D capabilities and the best-in-class manufacturing infrastructure.

Having leveraged our strengths, while capitalising on growth opportunities, we have steadily expanded our business into three verticals. The first vertical is that of Branded Generics business where we are now enhancing our focus across India, Asia, and Africa. While the second vertical of the US Generics business is battling some headwinds at the moment, the third vertical of the antimalarial Institutional business remains unpredictable.

Despite these stumbling blocks, we continue to stand strong on the back of our fortified foundation of the Branded Generics business. During FY 2023, we significantly enhanced capital allocation to this business with accelerated product filing and enhanced ground presence, and we will continue to do so in the upcoming year. We are confident that this business segment will continue to grow consistently over the years.

This higher operating expenditure came at a time when raw material and freight costs touched record highs. The price erosion in the US made the situation worse and this brought our profit margins down to the lowest level in the last decade.

We are optimistic to scale up our margins in the upcoming years by enhancing the contribution of Branded Generics business, coupled with normalisation of freight costs. This will also add surety, scalability, and sustainability to the business.

Segment Review

Our Branded Generics business stood at 73% of the revenue in FY 2023, attributed to 32% in India, 26% in Asia, and 15% in Africa. This was the result of our robust product pipeline and excellent execution of the strategy across markets.

Generics business in the US contributed 22% of the total revenue in FY 2023 with a growth of 19%. Our growth accelerated due to favourable conditions brought on by an intense flu season, during which our oral suspension medication played a crucial role in saving numerous children's lives. Driven by a sense of humanitarian urgency, we stretched our resources to safeguard these young lives, even though the significant logistical costs associated with this effort had a substantial impact on our profit margins.

Our Institutional business in Africa posted a de-growth of 5% due to lower demand from the sponsors.

Financial Highlights

Revenue from operations grew by 12% to ₹ 3,743 cr., displaying robust performance. Our EBITDA margin fell to 21% in FY 2023 due to the reasons mentioned earlier. Our net profit for the year fell by 16% to ₹ 588 cr.

Our balance sheet position remains pristine with ₹ 841 cr. as cash and liquid investments. We generated a free cash flow of ₹ 463 cr. in the year, up from ₹ 453 cr. in the previous financial year. We remain prudent in our capital allocation by returning excess cash generated in the business to shareholders.



Rajesh M. Agrawal
Joint Managing Director

Yogesh M. Agrawal
Managing Director

As a responsible corporate, we have well-defined Environmental, Social and Governance (ESG) policies, under which we continue to implement various sustainability initiatives. We have been enhancing our utilisation of solar energy, maintaining water neutrality and following a zero-discharge policy at our facilities.

For us, our human capital is the most invaluable asset. We continue to strive to upskill our employees and ensure that they are well-equipped to achieve their professional goals and aspirations while staying aligned with our Company's objectives.

We take this opportunity to express our deepest appreciation to all our employees and their families for their inspiring contribution in our journey. We also thank you for your continuing trust, support, and commitment to Ajanta.

Warm regards,

Yogesh M. Agrawal
Managing Director

Rajesh M. Agrawal
Joint Managing Director

Strength and Strategy

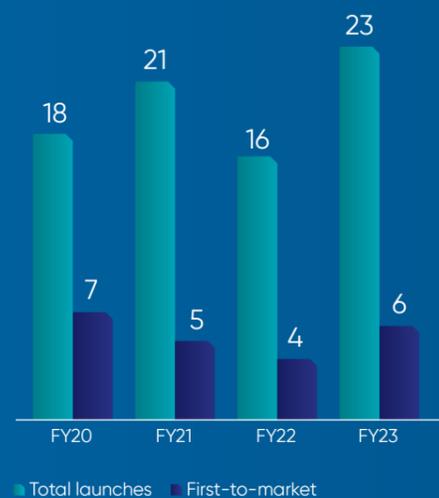
Growing with Plan and Purpose

Our deepening market penetration and our diverse suite of 500+ brands provide us with a unique competitive edge. Our objective is to grow faster than the market through our strategy of launching first-to-market products. Our well-defined strategy execution includes the robust ground presence and consistent product launches in chosen therapeutic areas.

Our strong R&D capabilities, coupled with state-of-the-art manufacturing facilities, propel growth and enable the translation of our strategies into action.

Total number of launches and First-to-market products

(No.)



► Ajanta Research Centre, Mumbai

First-To-Market

Almost 50% of our Branded Generics product basket consists of products which were launched for first time in that market ahead of the competition. We have been doing this year after year for patient convenience and compliance, by providing products with differentiated delivery systems or combinations. This strategy allows us to grow faster than the market.

Alcarex (Alcaftadine) is an apt example of this. Before Ajanta launched this product, it would take patients about 15 minutes to get relief from the available products. With the launch of the US FDA-approved Alcaftadine in India, patients could get relief in just 3 minutes. Moreover, the effect of a dose lasts for 24 hours. This naturally improved patient compliance and convenience. Our consistent launch of such products has helped us achieve the second position in the Indian Ophthalmology market.

Similarly, a patient who has suffered a heart attack has to generally take more than 10 medicines a day. It naturally makes compliance for patients difficult. Ajanta's Rosutor Gold is a combination of three molecules: Rosuvastatin, Aspirin, and Clopidogrel. While statin helps in lowering cholesterol levels, the other two work on resolving clots in arteries.

Distinctive Strategy of Launching Novel Products

Strength and Strategy

Strategy Driving Commendable Results

Over 73% of Ajanta's consolidated revenue comes from Branded Generics business, spread across 30 countries, including India, the rest of Asia, and Africa.

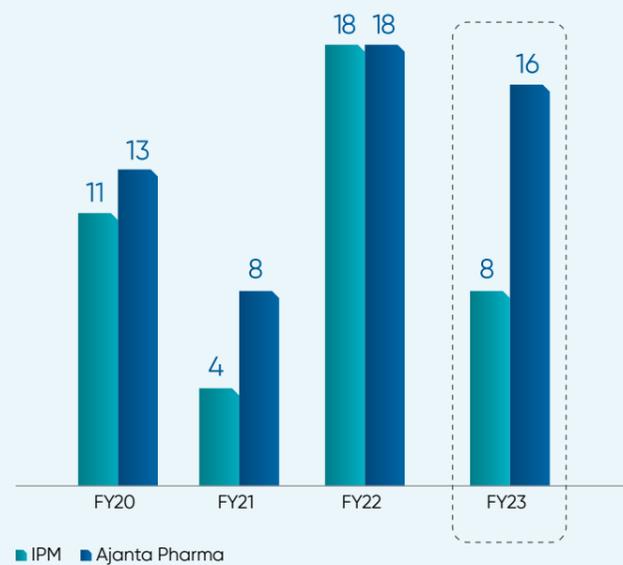
We have built brands across geographies seamlessly, deploying field forces in all the markets we are present in.



Ajanta Outperforming Indian Pharmaceutical Market (IPM)

(%)

Growth **2x** of the market



■ IPM ■ Ajanta Pharma

Source: IQVIA March MAT 2023

INCREASING CAPITAL ALLOCATION TO BRANDED GENERICS

We are relying on our strengths to build on our strategic objective to grow faster than the markets in every country we are present in. For this purpose, we enhanced our capital allocation to Branded Generics business of India, the rest of Asia, and Africa. Our strategic intent is reflected in our efforts during FY 2023 to increase our product filings by three times and enhance team size by 50% in the rest of Asia and Africa markets. We will continue to work on this approach to achieve our growth in the coming years.

As we achieve formidable positions in many markets, our strategy now entails enhancing focus on select countries from our geographical presence, which promises high growth potential. These territories offer a large Branded Generics pharma market size, but our presence there is still small. We plan to ramp up our presence in these markets and add value to the patients' choices through our differentiated product portfolio.

Our strategic intent also encompasses enhancing the productivity of our existing 4,500+ field team spread across India and ROW markets by enabling them with more digital tools and helping them get the most out of the growing portfolio.

Building Brands Through Inherent Forte

We leverage the strength of our field force at the ground level across our Branded Generics markets to build lasting brands. We are focused on imparting training to our field force to enhance their skill set so that they can connect more effectively to our customers.

We communicate unique advantages over existing treatment options to medical professionals for our differentiated products. Our continuous medical education programmes conducted for doctors help them stay abreast with the latest developments in their therapeutic fields. This way we continue to enhance the understanding of our customers which enables us to add more value to them. It also helps us build strong brand recall.

Through market intelligence, we can identify treatment gaps in our focused therapies.

Our success record in building formidable brands in different parts of the world reaffirms the effectiveness of our strategy. Our progress is backed by innovation and driven by our efficient 'Go-to-Market' approach, which involves a comprehensive and well-designed plan to introduce new products in the market. These planned launches enable us to exploit the full potential of our products.



4,500+
Current ground presence

CUSTOMER OUTREACH PROGRAMMES



Strength and Strategy

Deep Presence in Chosen Therapeutic Areas

Our strategy involves deeper penetration into promising therapies by enhancing our product basket and creating segment-specific teams in each of our markets. This empowers us to widen our reach of medical professionals and patients across our markets, leading to a faster scale-up of our business.

The strategy to focus on niche products has helped us build a strong product portfolio that gives us a track record of outgrowing the market. Moreover, our portfolio has a deep presence in different areas such as Cardiac, Ophthal, Diabetes, Derma, Antimalarial, Pain Management etc. with a higher focus on chronic therapies across the markets. This has helped us build a basket of strong brands that provide surety, scalability and sustainability to our business.



Cardiology



Ophthalmology



Dermatology



Pain Management



Antimalarial



Gastroenterology



Antihistamine



Respiratory

► Ajanta Research Centre, Mumbai



Our Businesses

Branded Generics – India

India is our largest market, contributing 32% to our consolidated revenue. Our sales in India grew by 20% to ₹ 1,174 cr. in FY 2023.

Even in all our therapeutic segments, our growth was much higher than the segment growth. As per IQVIA MAT March 2023, Cardiology contributed 40%, Ophthalmology contributed 31%, and Dermatology contributed 21%, of our India business, with the remaining 8% coming from Pain Management.

In the covered market, we stood much better as the 4th largest with a 27th rank in the overall IPM. It is heartening that in all therapeutic segments, our ranking in the covered market is among the top 10. We rank second in both Ophthalmology and Dermatology and 10th in the covered markets of Cardiology and Pain Management.

We launched 23 new products in FY 2023 with six first-to-market products. Without any increase in MR strength of 2,800, we have maintained consistent growth in our business during the last 4 years. This has given us continued improvement in MR productivity over this period. Our performance has come on the back of new product launches as well as market share gain. It gives us the conviction to rely on our strength of Branded Generics while building on our strategy to grow faster than the market.

4th
Rank in covered market

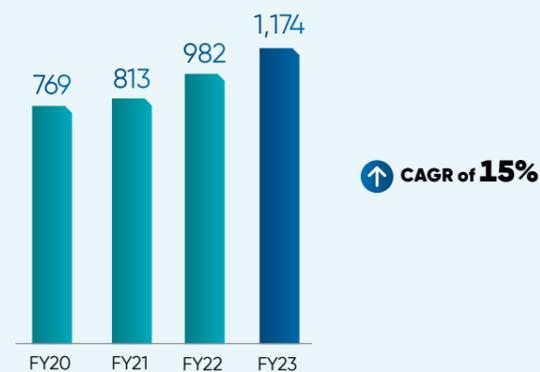
2,800+
MRs

65%
Chronic sales

250,000+
Doctors covered

Track Record of Revenue Growth

(₹ cr.)



India Ranking



Focused presence in key therapy areas

Therapy	Cardiology	Ophthalmology	Dermatology	Pain Management
Brand	METXL	Softdrops	Melacare	Feburic
Molecule	Metoprolol and Combinations	Carboxymethylcellulose	Hydroquinone and Combinations	Febuxostat
Brand rank	#1	#3	#2	#2
Market share	15%	5%	16%	20%



9
₹ 25 cr.+ Brands (Mar-23)

23
New launches in FY 2023

58%
MAT contribution from Top 10 brands (Mar-23)

7
Brands ranked among the top 5 in their respective molecule segments



Ajanta got into the Asia Book of Records for conducting the largest CPR training campaign

Our Businesses

Branded Generics – Asia

The Branded Generics business in Asia contributed 26% in total sales during the year. Our exports to these markets were ₹ 957 cr. against ₹ 813 cr., a growth of 18% in FY 2023.



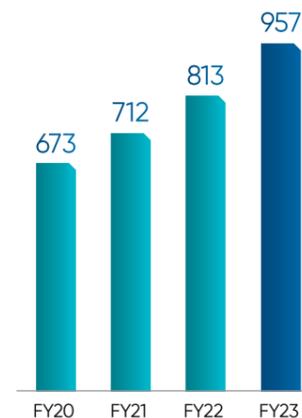
▶ Ajanta's participation at Emirates Diabetes & Endocrine Congress (EDEC), Dubai

We launched 38 new products during the financial year across these geographies, while staying steady on our growth momentum. Indeed, our growth trajectory is not merely incidental but a direct result of our unwavering commitment to robust product introduction and the adept orchestration of our well-thought-out strategies on a global scale. In Asia, our Branded Generics business is spread over 10 countries in the Middle East, South-East Asia, and Central Asia.

Revenue

(₹ cr.)

↑ CAGR of **12%**



OVERVIEW

- Branded Generics presence in 10 countries
- The Philippines and the Middle East are the key markets
- Therapy presence across various areas such as cardiac, diabetes, ophthal, pain management, antibiotics, gastro, antihistamines, and respiratory

Map not to scale

Branded Generics – Africa

Our business is spread over 20 countries in Africa. In FY 2023, sales stood at ₹ 559 cr. against ₹ 587 cr., down 5%. This dip was mainly due to two factors: the Indian Rupee's appreciation against the Euro for a significant duration of the year and the logistics challenges we experienced during the last quarter.

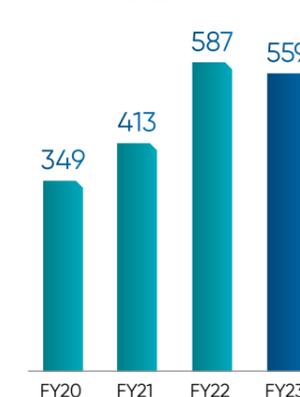


▶ Ajanta's CME programme in Africa

Revenue

(₹ cr.)

↑ CAGR of **16%**



OVERVIEW

- Spread over 20 countries across Africa
- Therapy presence across areas such as cardiac, diabetes, ophthal, pain management, antibiotics, gastro, antihistamines, and respiratory

Map not to scale

Our Businesses

The US Generics

This business contributed 22% of the total revenue of FY 2023. In this period, sales were ₹ 828 cr. against ₹ 696 cr., posting a 19% growth. However, there was severe price erosion during the year, though now it is stabilising in the mid-to-high-single digits. During the year, we filed five Abbreviated New Drug Applications (ANDAs) and also received four final and one tentative approval. We now have 21 ANDAs awaiting approval from US FDA.



NEW PRODUCT APPROVALS EXPECTED TO PICK UP

46
Final ANDA approvals

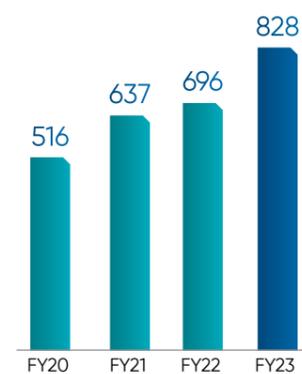
3
Tentative approvals

21
Pending approvals

Revenue

(₹ cr.)

↑ CAGR of 17%



OVERVIEW

40
Products on shelf

- The strategy of selective play in the market with the launch of limited-competition products
- Expecting accelerated flow of ANDA approvals in the upcoming year
- One new launch in FY 2023. Plan to launch around 5-6 products in FY 2024

Africa Institutional

This business constitutes only antimalarial products and contributed 5% of the total revenue. In FY 2023, sales were ₹ 190 cr. against ₹ 206 cr., down 8%. As mentioned earlier, Institutional business remains unpredictable and depends on the procurement time, schedule and funds' availability with the agencies.



Revenue

(₹ cr.)

↓ CAGR of (8)%



OVERVIEW

1 Billion+
Patients treated

The 1st Generics Company to obtain WHO pre-qualification for the antimalarial product Artemether + Lumefantrine Tabs.

Our Enablers

Enabling Robust Strategy Implementation

R&D

A major enabler of our Branded Generics strength is our R&D, consisting of a highly skilled team of 850+ scientists, well equipped with state-of-the-art infrastructure. This team focuses on developing complex/difficult-to-make products by using the latest technologies, which enable us to bring differentiated products to the market.

Our R&D processes are completely digitised to avoid chances of error through human intervention.

In addition to scientific development, R&D also possesses the expertise in registering the products with the regulatory authorities in different markets across the world.

850+
Scientists

6%
Revenue spent on R&D

100,000 sq. ft.
Area with latest equipment



► Ajanta Research Centre, Mumbai

Strong Capabilities



Formulation Development



API Development



Analytical Development



Bio-Analytical Testing Lab



Drug Regulatory Affairs



IPR & QA



► Production line for capsules at Paithan

Best-in-Class Manufacturing

Our seven state-of-the-art manufacturing facilities are another key enabler of our strategic vision, and these facilitate the production of world-class quality products. Two of our facilities are US FDA-approved.

At Ajanta, we are also at the forefront in terms of digitisation of the manufacturing side. Two of our facilities are highly digitised. We can now warehouse all the data of all the manufacturing equipment as well as the quality-control equipment in a central platform, and utilise it for data analytics. This helps us to do predictive analytics of any equipment breakdowns and variabilities – about where we are more efficient, where the downtime is more, which products are taking longer lead time etc. and take suitable actions to address them.

We are also continuously working to enhance our quality systems to ensure that we manufacture the highest quality product for our patients. Our supply chain is one of the best in the industry as we make sure that there is no stock-out of our products in any market even for a day. Ajanta has now become synonymous with high-quality products and near perfect score-card for supply assurance.

EXPANSIVE MANUFACTURING FOOTPRINT WITH SEVEN WORLD-CLASS FACILITIES

Gujarat



Dahej - T C P

Assam



Guwahati - T S O C J

Madhya Pradesh



Pithampur - T C

Maharashtra



Aurangabad
Paithan - T C P
Chikalthana - L C
Chitegaon - T C P J
Waluj - A

T Tablets C Capsules P Powders L Liquid
J Jelly O Ointments S Sterile eye drops
A Active Pharma Ingredient

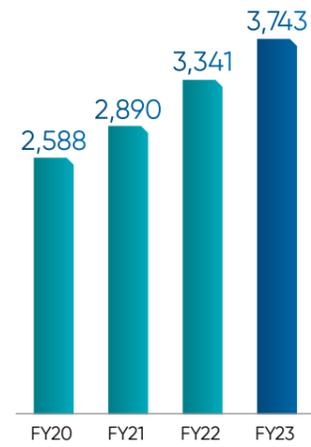
Financial Highlights

Robust Top-line Growth Backed by Strategy

Revenue

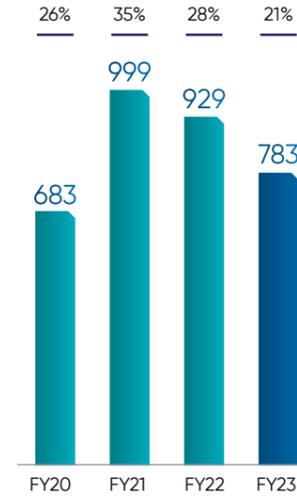
(₹ cr.)

↑ CAGR of **13%**



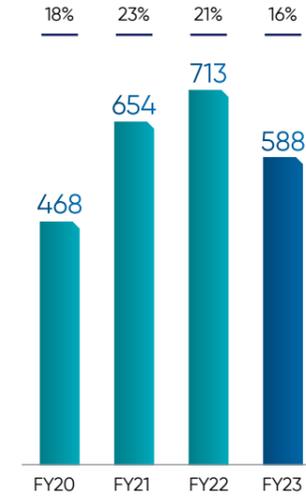
EBITDA/Margin (%)

(₹ cr.)



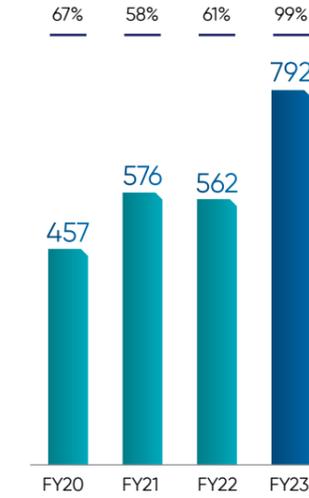
PAT and Margin (%)

(₹ cr.)



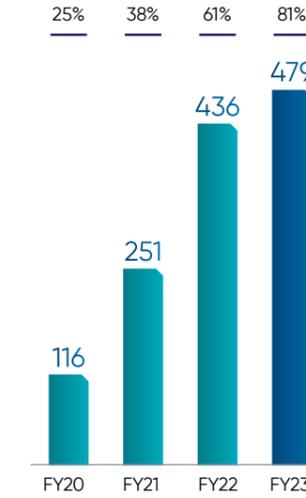
CFO and Cash Conversion Ratio (%)³

(₹ cr.)



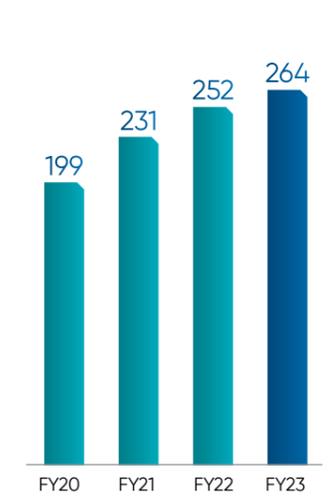
Payout (Dividend & Buyback) % to PAT

(₹ cr.)



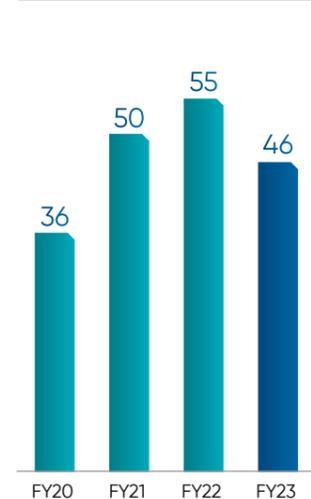
Book Value Per Share⁴

(₹)



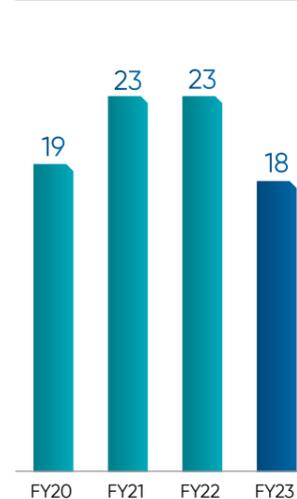
EPS⁴

(₹)



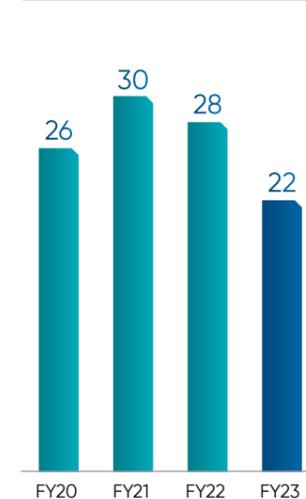
ROE²

(%)



RoCE¹

(%)



Note:

1. ROCE calculated as EBIT/(Net worth + Lease liability + Deferred tax liability)
2. ROE calculated as Net profit/Average net worth
3. Cash Conversion Ratio calculated as CFO (Cash Flow from Operations)/EBITDA
4. Bonus issue in April 2022 adjusted in all years for calculation of EPS & Book Value



ESG

Committed to a Sustainable Tomorrow

Ajanta has a well-defined safety, health, and environmental policy. The policy covers the Company, all its subsidiaries, and the contractors working within the premises of the Company.

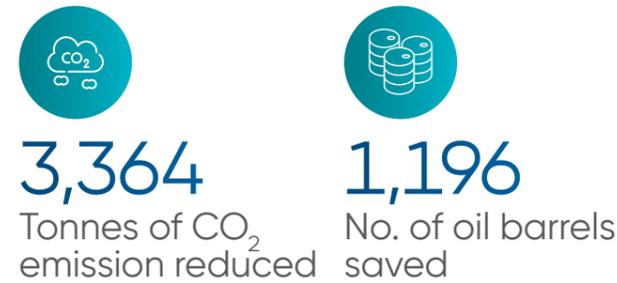
The Company recognises its responsibility to address climate change and global warming which are posing long-term challenges and ensures the business is run in a socially, ecologically, and economically responsible manner to minimise the impact. Its efforts in this regard are manifested by complying with applicable laws and regulations and taking proactive measures to maintain ecological balance.

As a responsible corporate, the Company has implemented energy conservation projects across its business units during the year. It has already implemented solar energy generation at its various units, which is currently fulfilling 11% of the total energy requirement. This is being strengthened further as in the next six months, renewable energy is expected to fulfil about 32% of the total energy requirement of the Company as a short-term goal.

Furthermore, over the next two years, it is expected to reach up to 50% green power. This will further contribute to reducing the annual carbon footprint.

Air emission levels and waste generated quantity by the Company are much below the permissible limit approved by regulatory authorities. The Company adheres to all applicable environmental laws and regulations. It also conserves consumption of water by recycling every drop of water in its manufacturing facilities. The Company also follows zero discharge from its units.

Below data is for FY 2023 based on the actual output of renewable energy and energy-saving measures taken during the year.



Corporate Information

Mannalal B. Agrawal
Chairman

Madhusudan B. Agrawal
Vice Chairman

Yogesh M. Agrawal
Managing Director

Rajesh M. Agrawal
Joint Managing Director

Chandrakant M. Khetan
Independent Director

K. H. Viswanathan
Independent Director

Prabhakar R. Dalal
Independent Director

Dr. Anjana Grewal
Independent Director

Arvind K. Agrawal
Chief Financial Officer

CIN No.
L24230MH1979PLC022059

Gaurang C. Shah
Company Secretary

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

M/s B S R & Co. LLP
Auditors

M/s Sevekari, Khare & Associates
Cost Auditors

- Audit Committee
- Executive Committee
- Stakeholders' Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility Committee
- C - Chairman
- M - Member
- Nomination & Remuneration Committee

Management Discussion and Analysis

ECONOMIC OVERVIEW AND OUTLOOK

Early signs in 2023 that the world economy could achieve a soft landing with inflation coming down and growth remaining steady, have receded with stubbornly high inflation and recent financial sector turmoil.

The International Monetary Fund's (IMF's) baseline forecast, assuming the recent financial sector stresses are contained, is for growth to fall to 2.8% in 2023 from 3.4% in 2022. For the next five years, it is expected to average out to 3% as it rises slowly. It is IMF's lowest medium-term forecast in decades. Advanced economies are expected to see an especially pronounced growth slowdown to 1.3% in 2023, from 2.7%, in the previous year. In a plausible alternative scenario, with further financial sector stress, global growth is expected to decline to 2.5% in 2023 with the growth of advanced economies falling below 1%.

The anaemic outlook reflects the tight policy stances needed to bring down inflation. Global headline inflation is set to fall to 7% in 2023 from 8.7% in 2022 on the back of lower commodity prices. But underlying (core) inflation is likely to decline more slowly.

PHARMACEUTICAL SECTOR OVERVIEW

After the disruptions of the past three years, the outlook for global spending on medicines has become clearer as the uncertainties give way to more predictable challenges. Policymakers across developed and emerging economies are shifting from crisis to rebuilding modes with a focus on longer-term sustainability issues. The pharmaceutical industry has and will continue to have a significant impact on the global economy in terms of contribution to GDP.

INVOICE SPENDING AND GROWTH

The use of medicines globally plateaued in 2022 following a significant rebound in 2021 as markets recovered from the pandemic. As per the IQVIA report, "Global use of Medicines 2023", overall volume is expected to grow 1.6% CAGR through 2027 driven by Asia-Pacific, India, Latin America, Africa, the Middle East, and China. All of these regions are expected to exceed global volume growth.

As per the IQVIA report, the global medicine market – using invoice price levels – is expected to grow at 3–6% CAGR through 2027, reaching about USD 1.9 trillion in total market size. Spending and volume growth will follow diverging trends by region, with larger established markets growing more slowly, and growth markets in Eastern Europe, Asia, and Latin America growing in both volume and spending.

Exhibit 1: Global Invoice Spending and Growth

Invoice Spending and Growth	2027 Spending USD Bn	2023-2027 CAGR	2022 Spending USD Bn	2018-2022 CAGR
Developed	1,370-1,400	2.5-5.5%	1,088	5.7%
Pharmerging	487-518	5-8%	371	7.2%
Lower-income countries	29-33	4.5-7.5%	23	6.0%
Global	1,900-1,930	3-6%	1,482	6.1%

Source: IQVIA January, 2023 Report "Global use of Medicines 2023"

The USA's share in global invoice spending is projected to increase to USD 763 billion in 2027 from USD 629 billion in 2022. This will be at 5.5% CAGR for the 2023 to 2027 period against 6.2% CAGR for the previous five years.

But off-invoice discounts and rebates resulted in estimated spending of 36% lower than the invoice spending in 2022. It is also projected to be 45% lower than invoice levels in 2027. At the net level, spending in the USA is projected to grow at -1 to 2% as rising off-invoice discounts and rebates are expected to be amplified by the provisions of the Inflation Reduction Act. This is in comparison to a 4% growth in net level spending for the 2018 to 2022 period.

Over the last decade, the relative spending of countries has shifted; while slower-growing developed markets have dropped, pharmerging countries have risen. In the next five years, global spending will increase by nearly USD 440 billion, lifting spending to nearly USD 1.9 trillion in 2027, with most of the absolute increase from developed countries, despite their lower rates of growth.

Exhibit 2: Invoice Spending and Growth in Pharmerging Markets

Pharmerging Markets	2027 Spending USD Bn	2023-2027 CAGR
China	180-210	2-5%
Brazil	57-77	9-12%
India	35-39	7.5-10.5%
Russia	25-29	6-9%
Total Pharmerging	487-518	5-8%

Source: IQVIA January, 2023 Report "Global use of Medicines 2023"

Strong growth in pharmerging markets and new brands in developed markets will lift global spending through 2027. Brazil, India, and Russia are the next three largest pharmerging markets and all are expected to grow by more than 7% CAGR through 2027.

India continues to grow through volume while costs remain low and medicines focus on generics; spending will increase 7.5–10.5% through 2027, reaching USD 35–39 billion.

Management Discussion and Analysis

COMPANY OVERVIEW

Ajanta Pharma is a specialty pharmaceuticals formulation company with a well-diversified Branded Generics business spread across India, the rest of Asia, and Africa. The Company has a strong chronic-focused product portfolio led by a first-to-market strategy and front-end presence which helps it outgrow the market. The Company is committed to investing in innovative products to fill identified gaps and putting major capital allocation into this business.

Ajanta's business also consists of two more verticals: US Generics and Institutional business in Africa. These two verticals are facing headwinds and we remain cautiously opportunistic for them.

PERFORMANCE HIGHLIGHTS

The following analysis and discussion are based on the consolidated financials of the Company for the financial year 2023. It covers different business verticals as well as the consolidated financial position as a whole.

Branded Generics

During the year, Branded Generics business in India, the rest of Asia, and Africa contributed 73% to the total sale of ₹ 3,708 cr.

Exhibit 3

Branded Generics	Sales (₹ cr.)	Growth	% to Total Sales
India	1,174	20%	32%
Asia	957	18%	26%
Africa	559	(5%)	15%
Total	2,690	13%	73%

Ajanta significantly outperformed the IPM on the back of 23 new product launches, including six first-to-market, and consistent growth in the existing products. This helped the Company climb two ranks to 27th in IPM from 29th in the previous financial year.

Exhibit 4: Market Size and industry vs. Ajanta Pharma Growth

IMS MAT March 2023

Particulars	Mar-23	Mar-22
Indian Pharma (₹ cr.)	2,00,507	1,85,498
Industry	8%	18%
APL	16%	18%
APL Rank	27	29
Ophthalmology (₹ cr.)	3,943	3,386
Industry	16%	21%
APL	16%	25%
APL Rank	2	2
Cardiology (₹ cr.)	24,336	22,282
Industry	9%	10%
APL	13%	11%
APL Rank	16	18
Dermatology (₹ cr.)	13,895	13,055
Industry	6%	10%
APL	26%	17%
APL Rank	15	15
Pain Management (₹ cr.)	15,896	14,117
Industry	12%	22%
APL	23%	28%
APL Rank	27	32

Branded Generics business in Asia and Africa consists of eight major therapeutic segments and we hold the leading position in all our sub-therapeutic segments. We have a basket of more than 200 products for these markets.

Our Asia business is spread across the Middle East, South East Asia, and Central Asia regions with a presence in 10 countries. This business saw a growth of 18% in the year and contributed 26% to total sales. The growth was well-diversified in terms of both volume and prices, where we saw improvement in the market share of some of our products. In the last four years, our CAGR growth in Asia has been robust at 12% and we expect better growth in the upcoming year.

Our Africa business de-grew by 5% in the year on the back of Euro depreciation against the Rupee for the most part of the year and supply chain issues in the last quarter. However, over a period of four years, our growth from this region has been a robust 16%, which we are quite confident to achieve in the coming years. Here also our product basket is spread across various therapeutic segments and enjoys leadership position in some of them.

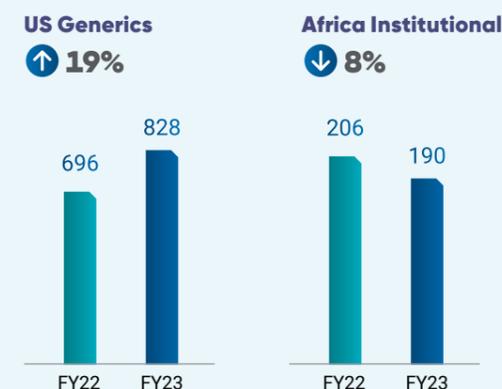
The US Generics

The US generics recorded 19% growth for the year and contributed 22% to total sales. This growth was on the back of tailwinds from the high flu season. However, this growth also incurred huge costs in logistics, which substantially eroded our margins. We have 40 products on the shelf and have 21 pending approvals to be commercialised in the coming years. Ajanta has decided to reduce capital allocation to this business due to increased uncertainty and continuous price erosion.

Africa Institutional

This business consists of antimalarial products being distributed through multilateral aid agencies, which saw de-growth of 8% and contributed 5% to total sales. As this business is dependent on the availability of funds with agencies, there is a high level of uncertainty and we remain neutral on this vertical.

Exhibit 5: US Generics and Africa Institutional Sales (₹ cr.)



OPERATIONAL AND FINANCIAL PERFORMANCE

During FY 2023, we significantly enhanced capital allocation to the Branded Generics business with accelerated product filing and enhanced ground presence, which we will continue to do in the upcoming year. This higher operating expenditure came at a time when raw material and freight costs touched record highs. The price erosion in the US made the situation worse and this brought our profit margins to the lowest level in the last decade.

We are confident to scale up our margins again in the coming years on the back of the enhanced contribution of Branded Generics business and normalisation of freight costs. This will also add surety, scalability, and sustainability to the business.

Exhibit 6

Particulars	FY 2023	% to RO	FY 2022	% to RO	% Growth
Revenue from Operations	3,743	-	3,341	-	12%
EBITDA	783	21%	928	28%	(16%)
Profit Before Tax	745	20%	909	27%	(18%)
Net Profit	588	16%	713	21%	(17%)
Total Comprehensive Income	603	16%	705	21%	(14%)

Management Discussion and Analysis

Revenue from Operations

Revenue from operations stood at ₹ 3,743 cr. in FY 2023 against ₹ 3,341 cr. in FY 2022, registering a growth of 12%. While Branded Generics grew 13%, Institutional business brought down the overall growth of the Company. We continue to aim for low to mid-teen growth in Branded Generics going forward.

Material Costs

Material cost moved to 28% in FY 2023 from 25% in FY 2022, an increase of 300 basis points. This higher cost was due to higher API prices resulting from the conflict and uncertain world scenario, higher price erosion in the US, and a few one-time inventory write-offs. We expect this to improve by 200 basis points in FY 2024.

Employee Expenses

Personnel expenses accounted for 21% of the revenue from operations in FY 2023 against 19% in the previous year. Total cost stood at ₹ 785 cr. in FY 2023 against ₹ 646 cr. in FY 2022. The increase during Q4 was on account of some re-grouping of related expenses from selling expenses following the best practices. For 12M FY 2023, the increase in cost mainly relates to expansion in the international field force by 50% and small addition in production and R&D. All these are investments for future growth and we expect to reap benefits of the same in the coming years.

Other Expenses

Other expenses stood at ₹ 1,124 cr. in FY 2023 (31% of revenue from operations) against ₹ 934 cr. in FY 2022 (28% of revenue from operations), a 300-basis point increase over the previous year. This was mainly because of higher freight costs impacting by 200 basis points and forex derivative loss impacting by about 100 basis points. R&D cost remained flat at 6% of revenue from operations in FY 2023 against the previous year. In absolute amount, it stood at ₹ 237 cr. in FY 2023 against ₹ 204 cr. in FY 2022.

With our continued focus on Branded Generics business, we have allocated higher resources on product registrations, promotions, and the launch of new products, resulting in higher marketing expenses. However, with freight costs coming down to pre-COVID levels, we estimate other expenses to come down in FY 2024, which will help improve our EBITDA margins.

Operating Profit Margin

EBITDA in FY 2023 stood at ₹ 783 cr. against ₹ 929 cr. in FY 2022, a de-growth of 16% over the previous year. The higher costs as explained in earlier paragraphs brought it down by 700 basis points to 21% in FY 2023 from 28% in FY 2022 as a percentage to revenue to operations. With improvement in material and freight costs, we expect

it to climb back to about 25% in FY 2024 and see more improvement ahead.

Other Income

Other Income stood at ₹ 99 cr. in FY 2023, against ₹ 116 cr. in FY 2022. It mainly consisted of a forex gain of ₹ 66 cr. and a balance from investment income.

Net Profit Margin

Profit After Tax was at ₹ 588 cr. in FY 2023 against ₹ 713 cr. in FY 2022. PAT margins stood at 16% in FY 2023 against 21% in FY 2022. The de-growth was in line with the decline in EBITDA margins and is expected to improve in the coming years.

Return on Net Worth

Return on Net Worth came down to 18% in FY 2023 against 23% in the previous year due to decline in profits.

Return on Capital Employed

Return on Capital Employed stood at 22% in FY 2023 compared to 28% in FY 2022 again only due to decline in profits.

Balance Sheet

Non-current Assets

The non-current assets have gone up to ₹ 1,845 cr. in FY 2023 from ₹ 1,791 cr. in FY 2022. Our CAPEX was ₹ 160 cr. for the year which was mostly the normal maintenance CAPEX. The CAPEX including maintenance CAPEX for FY 2024 is estimated to be about ₹ 200 cr.

Current Assets

Current Assets stood at ₹ 2,834 cr. in FY 2023 against ₹ 2,264 cr. in FY 2022 mainly because of investment in debt funds accumulated for buyback pay-out. Receivables days decreased to 104 days from 113 in FY 2022 mainly due to the higher Branded Generics business. The absolute amount stood at ₹ 1,057 cr. against ₹ 1,020 cr. in FY 2022.

Inventory in terms of the number of days to sales has improved to 80 days in FY 2023 from 88 days in FY 2022 due to the easing of the supply chain. In absolute amounts, it has increased to ₹ 816 cr. in FY 2023 from ₹ 791 cr. in FY 2022. Current Ratio for FY 2023 stood at 2.49 against 3.5 in FY 2022.

Shareholders' Funds

Shareholders' funds increased to ₹ 3,388 cr. in FY 2023 from ₹ 3,264 cr. in FY 2022. Earnings per share stood at ₹ 46 in FY 2023 against ₹ 55 in FY 2022. During the year, the Company returned ₹ 479 cr. against ₹ 436 cr. in FY 2022 to its shareholders through dividends and share buyback (including tax).



Non-current Liabilities

Non-current liabilities in FY 2023 stood at ₹ 152 cr. against ₹ 144 cr. in FY 2022, mainly consisting of deferred tax and lease liabilities.

Current Liabilities

Current liability stood at ₹ 1,139 cr. in FY 2023 against ₹ 647 cr. in FY 2022. The increase is mainly on account of the provision made for a buyback of ₹ 389 cr. as the same was paid in April 2023. Trade payable days increased from 70 in FY 2022 to 79 in FY 2023. Our strong balance sheet combined with a focus on cash conservation provides us the confidence that we will continue with our consistent performance.

CONSOLIDATED CASH FLOW

The Company had a healthy cash flow during FY 2023; the snapshot of this is in Exhibit 7.

Exhibit 7

Particulars	₹ cr.	
	FY 2023	FY 2022
Opening Cash and Cash Equivalents	206	178
Cash flows from:		
a) Operating Activities	792	562
b) Investing Activities	(560)	(74)
c) Financing Activities	(108)	(460)
Closing Cash and Cash Equivalents	330	206

EMPOWERED TEAM

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

Ajantaites are truly empowered. This is best reflected with the world-renowned professional service firm, Deloitte, conferring your Company with the "Best Managed Companies for 2022" award. Ajanta was selected for the award through a rigorous process which benchmarked us with global best practices under four distinct parameters: Strategy; Capabilities and Innovation; Governance and Financials; along with Culture and Commitment.

Ajanta matched the global leaders in all these parameters providing a testimony to our purposeful work culture. The Company's culture is centred on the four core values of Excellence, Transparency, Integrity, and Discipline. These values drive over 7,700 Ajantaites on the mission to provide life-saving drugs to needy patients.

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

Management Discussion and Analysis

The professional objectives for employees and teams across levels are directly linked with the organisation's objectives and philosophy. This conveys and provides a sense of purpose and direction to all employees. The key areas for driving HR initiatives include a strong emphasis on building a culture of inclusion and respect, ensuring a safe work environment, focusing on building capabilities and careers and protecting human rights.

The Company continues to support the capabilities of differently-abled employees. We ensure strict adherence to our internal codes and have a clearly defined zero-tolerance policy towards discrimination of any kind. The Occupational Health and Safety (OHS) system at our manufacturing facilities has enabled workers and employees to operate in a safe and healthy working environment.

RISK MANAGEMENT

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

The ERM involves engaging with all functional heads to identify internal and external events that may have an adverse impact on the achievement of the Company's objectives. It also entails periodic monitoring of changes in both the internal and external environment leading to the emergence of a new threat/risk. The major risks identified are regulatory, competition, supply chain disruption, cyber & data security, economic & political, and Environmental, Social, and Governance (ESG) risks. A review of the risk management policy is carried out annually by the Risk Management Committee. Our ERM framework plays a significant role in safeguarding the interests of our Company, our shareholders, and our stakeholders.



INTERNAL CONTROLS AND ADEQUACY

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

The current system of Internal Financial Controls (IFC) is aligned with the requirement of the Companies Act, 2013 and is in line with the globally accepted risk-based framework. The Internal Audit (IA) function of the Company reports to the Chairperson of the Audit Committee, thereby maintaining its objectivity. Our dedicated internal audit team supported by external audit firms help to enhance and protect organisational value by providing risk-based objective assurance, advice and insight.

The annual internal audit plan is carved out from a comprehensively defined Audit Universe that encompasses all businesses, functions, risks, compliance requirements, and maturity of controls. The internal

audit plan is approved by the Audit Committee at the beginning of every year. Each quarter, the Audit Committee of the Board is presented with key control issues and the actions taken on issues highlighted in the previous reports. The Audit Committee deliberates with the management, considers the systems as laid down, and meets the internal auditors and statutory auditors to ascertain their views on the internal control framework.

The Company recognises the fact that any internal control framework would have some inherent limitations and hence has inculcated a process of periodic audits and reviews to ensure that such systems and controls are updated at regular intervals.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, and expectations may be forward-looking statements. Actual results may differ materially from those expressed or implied due to various risks and uncertainties. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods' prices, changes in government regulations and policies, tax regimes, economic conditions within India and the countries within which the Company conducts business and other such factors. The Company does not undertake to update these statements.

Directors' Report

Dear Shareholders,

Your directors have pleasure in presenting Forty-Fourth Annual Report and Audited Financial Statements of the Company for the Year ended 31 March 2023.

FINANCIAL PERFORMANCE REVIEW

The Consolidated and Standalone Financial Statements for the year ended 31 March 2023 have been prepared in accordance with the Indian Accounting Standards (Ind AS), Section 133 and other applicable provisions of the

Companies Act, 2013 ("Act") and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Summarised Position of the Financials Statements is Given Below:

Particulars	Consolidated		Standalone	
	2023	2022	2023	2022
Year ended 31 March				
Revenue from operations	3,743	3,341	3,411	3,141
Other Income	99	116	133	140
Profit before Depreciation, Finance Costs and Tax expense	882	1,045	832	1,031
Profit after Tax	588	713	559	720
Total Comprehensive Income	603	705	556	720
Earnings Per Share (EPS) (₹) (Basic)	45.89	54.97	43.61	55.52

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

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

PERFORMANCE REVIEW

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

During the year under review, Consolidated Revenue from Operations augmented at ₹ 3,743 cr., 12% higher than the previous year. Consolidated Profit After Tax stood at ₹ 588 cr. lower by 17.5% than the previous year due to abnormal increase in raw material and freight costs. Exports contributed 68% of the revenue.

DIVIDEND

During the year under review, the Board had declared an interim dividend of ₹ 7/- per equity share at its meeting held on 3 November 2022. Total dividend payout was ₹ 89.69 cr. The Board recommends interim dividend to be considered as final dividend for FY 2023.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company has Four overseas subsidiaries and it does not have any Associate company or Joint Venture.

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

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

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

SHARE CAPITAL

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

Employee Stock Option Scheme

Company has formulated and implemented Ajanta Pharma Share-Based Incentive Plan 2019 ("SBIP 2019") which is administered by the Nomination and Remuneration Committee ("NRC"). There was no change in the scheme during the year.

During the year under review, 1,000 shares were issued and allotted against the options exercised. Disclosures with regard to SBIP 2019 are put up on the Company's website and can be accessed at https://www.ajantapharma.com/ajanta/Investors/annual_results/?year=2022-23.

M/s. Alwyn D'Souza & Co., Secretarial Auditors have issued certificate confirming that SBIP 2019 has been implemented in accordance with the SEBI Regulations and the resolution passed by members in general meeting. The certificate will be available for inspection by members at the ensuing Annual General Meeting ("AGM").

Bonus Shares

Board of Directors had at their meeting held on 10 May 2022 approved issue of bonus shares to the members in the ratio of 1:2 i.e. one new fully paid-up equity share of ₹ 2/- each to be issued for every two equity shares held. Post bonus issue, paid-up equity shares of the Company stood increased from 8,54,16,770 equity shares to 12,81,25,155 equity shares of ₹ 2/- each.

Issued bonus shares in the ratio of 1:2

Buy-back of Shares

At the meeting held on 10 March 2023, Board had approved buy-back of 22,10,500 (Twenty-two lakhs ten thousand five hundred) fully paid-up equity shares of the face value of ₹ 2/- each, from the existing shareholders / beneficial owners of equity shares of the Company on a proportionate basis, through "Tender Offer" route, at a price of ₹ 1,425/- (Rupees One Thousand Four Hundred and Twenty-Five only) per equity share, for an aggregate amount of ₹ 315.00 cr.

Share buy-back amounting to ₹ 315 cr. during the year

Buy-back represented 2.59% (not adjusted for bonus undertaken by the Company) of the subscribed and paid-up equity share capital of the Company. Post Buyback, the paid-up share capital stood reduced from 12,81,25,155 equity shares to 12,59,14,655 equity shares of ₹ 2/- each.

CREDIT RATING

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board of the Company comprise of renowned professionals from different walks of life. They bring in diversified competencies, domain knowledge and experience. Right combination of Executive and Independent Directors draws fine balance of business acumen and independent judgement on Board's decisions.

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

Re-appointment of MD & JMD

At the meeting held on 1 February 2023, the Board had approved re-appointment of Mr. Yogesh M. Agrawal as Managing Director of the Company and Mr. Rajesh M. Agrawal as Joint Managing Director of the Company for an another term of 5 years. Both the appointments were approved by Shareholders on 9 March 2023 through postal ballot.

Retirement by Rotation

Mr. Madhusudan B. Agrawal retires by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment.

Independent Directors

All the Independent Directors have confirmed that they continue to meet the criteria of independence as laid down under Section 149(6) of the Act and under the Listing Regulations. They have registered their names in the Independent Directors data-base and have passed the proficiency test, if applicable. They have also affirmed compliance to the Code of Conduct for Independent Directors.

Directors' Report

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

The Board is of the opinion that the Independent Directors possess requisite qualifications, experience and expertise in the fields of manufacturing, operations, finance, forex, people management, strategy, sales & marketing, auditing, banking, risk management and they hold high standards of integrity. Skill set, expertise & competencies matrix of all the Directors is provided in the Report on Corporate Governance forming part of this Annual Report.

➔ Policies on Appointment and Remuneration of Directors

Policy for Determining Qualifications of Directors sets out guiding principles for selection of persons who are qualified to become Directors/Independent Directors.

The objective of Policy for Remuneration of Directors and Employees is to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors, Key Managerial Personnel ("KMP") and Senior Management employees.

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

The policies are available at:
<https://ajantapharma.com//images/PolicyfordeterminingqualificationsofDirector.pdf>
<https://ajantapharma.com//images/PolicyforRemunerationofDirectorsandEmployees.pdf>

➔ Key Managerial Personnel

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

➔ Board and Directors' Evaluation

As per provisions of the Act and Regulation 17(10) of the Listing Regulations, the performance evaluation of the Board, Board committees and individual Directors was carried out by the Board, in accordance with the Policy on Board Evaluation,

criteria laid down which are in alignment with the best corporate governance practices.

Further, at a separate meeting, the Independent Directors evaluated performance of Non-Independent Directors, Board as a whole and of the Chairman of the Board.

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

The manner of evaluation of Board of Directors performance and matters incidental thereto, are detailed in the Report on Corporate Governance.

BOARD MEETINGS

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

BOARD COMMITTEES

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

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

RELATED PARTY TRANSACTIONS (RPTs) AND POLICY

All RPTs entered into by the Company during the financial year were in accordance with the Company's Policy on RPTs and in pursuance of approval granted by the Audit Committee. Pursuant to Regulation 23(3) of the Listing Regulations and Rule 6A of the Companies (Meetings of Board and its Powers) Rules, 2014, the Audit Committee granted omnibus approval to the transactions likely to be entered into by the Company with related parties during the year which are of repetitive nature. Members may refer to Note No. 53 to the Financial Statement which sets out RPT disclosures pursuant to IND AS-24.

All the RPTs effected in accordance with the approval are placed before the Audit Committee on a quarterly basis for review and noting. Material related party transactions were entered into by the Company only with its US subsidiary.

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

Detail of RPTs effected during the year are given in Form AOC-2 annexed as "Annexure B" to this report in accordance with Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Company believes that it can grow sustainably only through an ecosystem of interdependence with society. The Company considers its economic, environmental and social responsibility to foster sustainable local development as well as extend necessary support to the underprivileged and poor sections of the society.

Company has spent more than 2% of the average net profits during three preceding financial years. The Board had at its meeting held on 10 May 2022, approved the Annual Action Plan of CSR activities to be undertaken during the year in accordance with the CSR policy of the Company. CSR activities were carried out through various charitable trusts and NGOs who meet the criteria. CSR Committee reviewed and monitored the CSR projects and expenditure undertaken by the Company as per the plan and apprised the Board of the same.

Thrust areas for CSR spent were healthcare, education, rural development & promoting sports. On the healthcare front, contributions were made for healthcare camps, medical treatment for cancer and other diseases, setting up hospitals for affordable medical treatment, cataract surgeries, eradication of malnutrition etc. On the education front contributions were made for setting up colleges and educational infrastructure in underdeveloped regions, subsidised education for the underprivileged etc. As regards rural development & community welfare, contributions were made to old age homes, subsidised food for the needy, providing necessities to the physically challenged community etc.

Thrust areas for CSR were healthcare, education, rural development & promoting sports.

Chief Financial Officer has certified that the funds disbursed for CSR during the financial year 2023, have been used for the purpose and in the manner approved by the Board.

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

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34 read with Part B of Schedule V of the Listing Regulations, a detailed review of the business operations, performance, future outlook, major events occurred during the year as well as state of company's affairs is given in the Management Discussion and Analysis, which forms part of this report.

REPORT ON CORPORATE GOVERNANCE

The Board of Directors reaffirm their continued commitment to good Corporate Governance & ethical practices. The Company is committed to maintain highest standard of Corporate Governance and elevating the same to the best global practices.

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

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Company has been conducting business in a sustainable manner and to create maximum value for all its stakeholders.

The Company is also committed to ensure that its actions positively impact the economic, societal and environmental dimensions.

Business Responsibility and Sustainability Report ("BRSR") for FY 2023 in accordance with Regulation 34(2)(f) of the Listing Regulations, forms part of this report. It describes various initiatives taken by the Company from environment, social and governance perspective.

Directors' Report

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return in Form MGT-7 as on 31 March 2023 is placed on the Company's website at https://www.ajantapharma.com/ajanta/Investors/annual_results/?year=2022-23.

UNCLAIMED DIVIDEND/SHARES

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

AUDITORS AND AUDIT REPORTS

Statutory Auditors

M/s. B S R and Co. LLP, Chartered Accountants (ICAI Registration No.: 101248W/W-100022) ("BSR") are the Statutory Auditors of the Company. At the 43rd AGM held on 4 August 2022, Members re-appointed BSR for a further period of five years, i.e. from the conclusion of the 43rd AGM till the conclusion of the 48th AGM of the Company to be held in the year 2027.

Auditors' Report on the financial statements of the Company for the financial year ended 31 March 2023 is enclosed with the financial statements, which forms part of this Annual Report. The report is unmodified i.e. it does not contain any qualification, reservation, adverse remark or disclaimer. Notes on financial statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments.

Internal Auditors

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

Secretarial Auditors, Audit Report, Secretarial Compliance Certificate

Pursuant to Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 & Regulation 24A

of the Listing Regulations, Board had appointed M/s. Alwyn D'Souza & Co., Practicing Company Secretaries to undertake the Secretarial Audit of the Company for year ended 31 March 2023.

Secretarial Audit Report is annexed to this report as "Annexure D". There are no qualifications or reservations or adverse remarks in the Secretarial Audit Report. The report is self-explanatory and does not call for any further comments.

M/s. Alwyn D'Souza & Co., Practicing Company Secretaries, have also issued Secretarial Compliance Report for the year ended 31 March 2023 confirming that the Company has maintained proper records as stipulated under various Rules and Regulations applicable to the Company and that no action has been taken against the Company or its material subsidiaries or promoters/directors by SEBI/Stock Exchanges. The Company disseminates the Report on the websites of BSE and NSE within the prescribed time.

On the recommendations of the Audit Committee, Board of Directors have re-appointed M/s. Alwyn D'Souza & Co., Practicing Company Secretaries, to conduct the secretarial audit of the Company for FY 2024. They have consented and confirmed their eligibility for the said re-appointment.

Cost Auditors

The Company maintains cost accounts and records as per the provisions of Section 148(1) of the Act and the same are audited by the Cost Auditors. In accordance with Section 148(6) of the Act read with Rule 6(6) of the Companies (Cost Records and Audit) Rules, 2014, cost audit report, in Form No. CRA-4 (in XBRL mode), for the year ended 31 March 2022, was filed with the Ministry of Corporate Affairs, within the prescribed time.

Based on the recommendation of the Audit Committee, Board has appointed M/s. Sevekari, Khare & Associates, practicing Cost Accountants, to audit the cost records of the Company for FY 2024. They have confirmed that their appointment is in accordance with the applicable provisions of the Act and rules framed thereunder and that they are not disqualified to be appointed as the Cost Auditors of the Company for the year ending 31 March 2024.

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

the ensuing AGM. The proposal forms a part of the notice of the AGM.

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

SECRETARIAL STANDARDS

During FY 2023, the Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India as amended.

INTERNAL CONTROL SYSTEM, RISK MANAGEMENT AND COMPLIANCE FRAMEWORK

The Company believes that internal controls are the prerequisite of governance and all the actions should be exercised within the framework of checks and balances. It has laid down an adequate system of internal controls, policies and procedures for ensuring orderly and efficient conduct of the business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, timely preparation of reliable financial disclosures and to ensure compliance with regulatory requirements. The Company has adopted Committee of Sponsoring Organisations ("COSO") 2017 of the Treadway Commission framework for its Enterprise Risk Management processes.

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

The Company also has Risk Management Policy and framework in place which defines roles and responsibilities at various levels of the risk management process. Risk Management Committee ("RMC") oversees the implementation of Risk Management Policy as well as risk management and mitigation framework.

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

monitor changes in both internal and external environment leading to emergence of a new threat/risk.

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

The Company has a comprehensive framework for monitoring compliances with applicable laws and internal policies. Business and corporate functions ensure implementation of laws at the primary level through checks and controls in their operational processes. Compliances are further mapped into the compliance monitoring tool and affirmed at regular frequency by the compliance owners and compliance reports are submitted to the Board on a quarterly basis.

SUPPLY CHAIN

A sustainable and seamless supply chain is critical for the timely availability of our medicines to our patients across the globe. Your Company has developed a resilient and agile supply chain framework that sources its direct and indirect materials from its suppliers. Company continuously supports supply chain and distribution partners to maintain an uninterrupted supply and distribution of medicines.

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

VIGIL MECHANISM/WHISTLE-BLOWER POLICY

Company has zero tolerance for any form of unethical conduct or behaviour and it adheres to uncompromising integrity in conduct of its business. It has put in place vigil mechanism viz., Whistle-Blower Policy to encourage the employees who have knowledge of actual or suspected violation, malpractices, corruption, fraud or unethical conduct, leak of unpublished price sensitive information, genuine concerns, etc. The employees can come forward, seek resolution and express their legitimate concerns to the Audit Committee Chairman without any fear of reprimand, retaliation, victimisation or unfair treatment.

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

The same is reviewed by the Audit Committee from time to time. No concerns or irregularities have been reported by employees/directors till date. It is affirmed that no person has been denied access to the Audit Committee.

Directors' Report

POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

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

The Company has adopted Policy on prevention, prohibition and redressal of sexual harassment of women at workplaces in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Company conducts awareness sessions to sensitise employees about the policy.

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

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

CODE OF CONDUCT

The Company has laid down a robust Code of Conduct for Directors & Senior Management, which is based on the principles of ethics, integrity and transparency. Details of the Code are given in the Corporate Governance Report.

HUMAN RESOURCE, HEALTH & SAFETY

Human Resources are invaluable assets and Company is committed to provide conducive environment that values their contribution and provides them opportunities to grow. It invests in their training and professional development to equip them with the necessary skills, domain expertise and latest technology in line with the business strategy.

The Company is dedicated to the protection of human health, safety, environment and maintains highest standards of health and safety in all its plants and facilities. This commitment forms the basis for our EHS management systems and governance.

Company takes pride in stating that it has been recognised and certified as a "Great Place to Work" by Great Place to Work Institute.

MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES

There were 7,713 permanent employees of the Company as of 31 March 2023. The information pursuant to Rule (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as "**Annexure E**".

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

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

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

LOANS, GUARANTEES & INVESTMENTS

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

OTHER DISCLOSURES

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

- Transfer to Reserves;
- Deposits accepted by the Company;
- Issue of equity shares with differential rights as to dividend, voting or otherwise;
- Provision of money for the purchase of its own shares by employees or by trustee for the benefit of employees;
- Remuneration or commission received by Managing Director & CEO/Whole-Time Director from subsidiaries;
- Revision in the financial statements;
- Change in the nature of company's business;
- Transfer of any amount to reserves;
- Suspension of Company's securities;
- Failure to implement Corporate Action;

- One-time settlement;
- Material changes and commitments affecting financial position of the Company between the end of the financial year and the date of this report;
- Significant or material orders passed by the Regulators or Courts or Tribunals which could impact the going concern status of the Company and its future operations;
- Application or proceedings made under the Indian Bankruptcy Code, 2016.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

- that in the preparation of the annual accounts for the year ended 31 March 2023, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- that they had selected accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31 March 2023 and of the profit of the Company for the period;

- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual accounts/financial statements have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- that they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

GRATITUDE & ACKNOWLEDGEMENTS

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

For and on Behalf of the Board of Directors

Mannalal B. Agrawal
Chairman

Mumbai, 5 May 2023

Annexure "A" – AOC – 1

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

PART "A": SUBSIDIARIES

₹ in Crore

1	Sl. No.	1	2	3	4
2	Name of the Subsidiary	Ajanta Pharma (Mauritius) Limited (Consolidated)	Ajanta Pharma Philippines Inc.	Ajanta Pharma USA Inc.	Ajanta Pharma Nigeria Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 March 2023	31 March 2023	31 March 2023	31 March 2023
4	Reporting currency for the subsidiary	MUR	PHP	USD	NN
5	Reporting exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries Rupee equivalent of 1 unit of foreign currency as at 31 March 2023 (₹)	1.81	1.51	82.17	0.18
6	Share Capital	9.44	1.38	6.07	1.37
7	Reserves & Surplus	97.16	88.51	95.72	(1.72)
8	Total Assets	132.07	147.20	886.49	0.13
9	Total Liabilities (excluding Share Capital and Reserves & Surplus)	25.48	57.31	784.70	0.49
10	Investments	-	-	-	-
11	Turnover	112.38	253.34	827.77	-
12	Profit before taxation	(7.61)	32.55	14.67	(0.09)
13	Provision for taxation	(0.48)	8.31	3.32	-
14	Profit after taxation	(7.14)	24.24	11.35	(0.09)
15	Proposed Dividend	-	-	-	-
16	% of shareholding	100%	100%	100%	100%

Note:

1) Ajanta Pharma (Mauritius) Limited consolidated figures includes its wholly-owned subsidiary Ajanta Pharma (Mauritius) Int'l Limited.

PART "B": ASSOCIATES AND JOINT VENTURES: None

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

Yogesh M. Agrawal

Managing Director

DIN: 00073673

Rajesh M. Agrawal

Joint Managing Director

DIN: 00302467

Arvind K. Agrawal

Chief Financial Officer

Gaurang C. Shah

Company Secretary

FCS No. 6696

Mumbai, 5 May 2023

Annexure "B" – AOC – 2

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

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

Sr. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	InfiniChains Lab Private Limited ("InfiniChains")
b)	Nature of contracts/arrangements / transaction	Availing service related to ESG SaaS tool for compiling data for preparation of BRSR.
c)	Duration of the contracts/arrangements / transaction	5 years
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	1. InfiniChains to customise its tool as per Company's requirements and grant license to Ajanta Pharma Limited to use its tool for preparation of BRSR. 2. They will impart training to employees of Ajanta Pharma Limited. 3. Agreement to remain in force for 5 years.
e)	Justification for entering into such contracts or arrangements or transactions	Company is in need of tool for compiling its ESG and other data for preparation of BRSR. ESG SaaS Tool offered by InfiniChains is having features and utility as other tools in the market are offering. Moreover, InfiniChains has offered to provide ESG SaaS tool without any cost for 5 years.
f)	Date of approval by the Board	3 November 2022
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to Section 188	N.A.

2. Details of material contracts or arrangements or transactions at arm's length basis: None

For and on Behalf of the Board of Directors

Mannalal B. Agrawal

Chairman

Mumbai, 5 May 2023

Annexure "C" – Report on CSR

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

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

Corporate Social Responsibility (CSR) at Ajanta Pharma Limited stems from the ideology of providing sustainable value to the society in which the Company operates. It lays emphasis on contributing in the fields of healthcare, education, reducing inequalities, promotion of sports and other areas prescribed under schedule VII of the Companies Act, 2013, for development & upliftment of the underprivileged and economically backward groups.

2. COMPOSITION OF THE CSR COMMITTEE:

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

3. PROVIDE THE WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY.

#	Particulars	Weblink
1.	CSR Committee	https://ajantapharma.com/ajanta/Investors/board_committees
2.	CSR Policy	https://ajantapharma.com//images/CSRPoly2021.pdf
3.	CSR Projects	https://ajantapharma.com/ajanta/Investors/investor_information_miscellaneous/?year=2022-23

4. PROVIDE THE DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE:

During the year, the Company gave CSR contributions to trusts and charitable organisations for their various programmes and initiatives in the fields of healthcare, education, rural development and other areas permitted under Schedule VII of the Companies Act, 2013. Impact assessment of the qualifying projects will be done in accordance with the statutory requirement and report will be submitted.

5. DETAILS OF THE AMOUNT AVAILABLE FOR SET OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 AND AMOUNT REQUIRED FOR SET OFF FOR THE FINANCIAL YEAR, IF ANY:

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

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5): ₹ 776.77 cr.

7. (a) Two percent of average net profit of the Company as per Section 135(5): ₹ 15.54 cr.

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

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

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 15.54 cr.

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

Total amount spent on CSR during the year was ₹ 16.37 cr. and was more than CSR obligation of the Company. Hence there was no unspent amount for the year.

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

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

1	2	3	4	5	6	7
Sr. no.	Name of the Project/Activity	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Amount spent for the project (₹ in cr.)	Mode of Implementation - Through Implementing Agency	CSR Registration No.
			State/District		Name	
1.	Eradicating hunger, poverty, malnutrition, promoting healthcare; educational infrastructure & assistance etc.	(i), (ii)	Maharashtra/All districts	5.86	Samta Purushottam Agrawal Memorial Foundation	CSR00002029
2.	Upgradation of hospital; eradicating hunger, poverty, malnutrition, promoting healthcare; educational infrastructure & assistance; setting up old age homes; environment sustainability; rural development etc.	(i), (ii), (iii), (iv), (vi)	Maharashtra, Tamil Nadu, Manipur Mumbai, Palghar, Aurangabad, Jalna, Jalgaon, Lonavala, Chennai, Tamenglong	2.60	Mamta & Madhusudan Agrawal Memorial Foundation*	CSR00002657
3.	Providing educational assistance to the underprivileged & backward communities	(ii)	Maharashtra/Jalgaon	0.90	Prakashchand Jain bahuuddeshiya Sanstha	CSR00009230
4.	Eradicating hunger, poverty, malnutrition, promoting healthcare; educational infrastructure & assistance; aiding socially & economically backward groups; rural development etc.	(i), (ii), (iii), (vi)	Maharashtra/Aurangabad, Washim, Mumbai, Jalna, Palghar,	0.90	B. J. Charitable Trust	CSR00002156
5.	Maintenance of old age home	(iii)	Maharashtra/Navi Mumbai	0.90	Bombay South Kanara Brahmins Association	CSR00017719
6.	Medical and infrastructure facilities for hospital	(i)	Maharashtra/Ahmednagar	0.80	Rashtrasant Janardhan Swami Foundation	CSR00011452
7.	Reducing inequalities faced by socially and economically backward groups	(iii)	Maharashtra/Mumbai, Thane	0.75	Omkar Anndh Apang Samajik Sanstha	CSR00003196
8.	Educational assistance & infrastructure	(ii)	Maharashtra/Dhule	0.70	The Shirpur Education Society	CSR00013815
9.	Reducing inequalities faced by socially & economically backward groups	(iii)	Maharashtra/Pune	0.55	Anvi Medical and Education	CSR00004174
10.	Educational facilities to the underprivileged & backward communities	(ii)	Maharashtra/Paithan	0.50	R. L. Education Sanstha	CSR00018363
11.	Educational facilities to the underprivileged & backward communities	(ii)	Maharashtra/Jalna	0.50	Shiva Trust Aurangabad	CSR00012532

Annexure "C" – Report on CSR

1	2	3	4	5	6	7
Sr. no.	Name of the Project/Activity	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Amount spent for the project (₹ in cr.)	Mode of Implementation - Through Implementing Agency	CSR Registration No.
			State/District		Name	
12.	Assistance to underprivileged students for further studies, Cochlear Implant Surgeries of young children, Providing training & sports equipments for athletes; Upgradation of hospital and community health centre; rural development, etc.	(i), (ii), (v), (vi)	Maharashtra, Assam, Andhra Pradesh/ Pune, Mumbai, Palghar, Aurangabad, Risod, Jalna, Kamrup, Sri City	1.41	Others	Refer note No. 4
TOTAL				16.37		

Schedule VII activities:

-  (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
-  (ii) Promoting education, including special education and enhancing vocational skills and livelihood enhancement projects especially among children, women, elderly and the differently abled.
-  (iii) Setting up old age homes & reducing inequalities faced by socially and economically backward groups.
-  (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.
-  (v) Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports.
-  (vi) Rural Development.

Notes:

1. Activities were spread across different parts of the country.
2. Mode of implementation was through implementing agencies and nothing was direct.
3. *In addition to the amount indicated above, ₹ 2.00 cr. was further given to them for the same purpose which was received back from Maharaja Agrasen Medical Education & Scientific Research Society during FY 2023 due to cancellation of their Cancer hospital project.
4. Others - Resourceful Education Foundation (CSR00004174), Central Chinmaya Mission Trust (CSR00008084), Maharashtra State Women's Council (CSR00004977), The Bombay Seacoast Rotary Foundation (CSR00003414), Foundation for Promotion of Sports & Games (CSR00001100), Ajanta Foundation (CSR00002155), Krea University (CSR00012893), Manisha Yogesh Agrawal Foundation (CSR00021696) & Matsyodari Shikshan Sanstha (CSR00023861).

(d) Amount spent in Administrative Overheads: Nil

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 16.37 cr.

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

Sr. No.	Particular	Amount (in Crore)
I.	Two percent of average net profit of the Company as per Section 135(5)	15.54
II.	Total amount spent for the Financial Year	16.37
III.	Excess amount spent for the financial year [(ii)-(i)]	0.83
IV.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
V.	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.83

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

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

No project qualifies as ongoing project in the preceding Financial Year.

10. IN CASE OF CREATION OR ACQUISITION OF CAPITAL ASSET, FURNISH THE DETAILS RELATING TO THE ASSET SO CREATED OR ACQUIRED THROUGH CSR SPENT IN THE FINANCIAL YEAR: Not Applicable

11. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5): Not Applicable

For Ajanta Pharma Limited

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

Yogesh M. Agrawal
Managing Director

Mannalal B. Agrawal
Chairman of the Corporate Social Responsibility Committee

Mumbai, 5 May 2023



Annexure "D" – Secretarial Audit Report

For the financial year ended 31 March 2023

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

To,
The Members,
Ajanta Pharma Limited

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

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

Based on our verification of the Company's statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31 March 2023** complied with the statutory provisions listed hereunder and also that the Company has followed proper Board-processes and has required compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31 March 2023** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder for compliance to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, **as applicable**;

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share -Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Not Applicable to the Company**;
- (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not applicable to the Company**;
- (h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - **Not applicable to the Company**;
- (i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (vi) Other specific business/industry related laws applicable to the Company:

The Company has complied with specific applicable laws, rules, regulations and guidelines viz., Drugs and Cosmetics Act, 1940 and related Rules; The Prevention of Food Adulteration Act, 1954; The Pharmacy Act, 1948; Food and Safety Standards Act, 2006; The Drugs (Control) Act, 1950; Food and Drug Administration licensing terms and conditions; Legal Metrology Act, 2009 and the applicable Rules and other applicable general laws, rules, regulations and guidelines.

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

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India; and
- (ii) SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

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

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

The minutes of the Board Meetings and Committee Meetings have not identified any dissent by members of the Board/Committee of the Board, hence we have no reason to believe that the decisions by the Board were not approved by all the directors present. The Minutes of the Board Meetings and Committee Meetings were duly approved at the meeting by the Chairman of the Meeting.

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

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

1. The Board of Directors of the Company, at its meeting held on 10 May 2022 had approved the issue of Bonus Equity Shares in the proportion of one Equity Share of ₹ 2 each for every two Equity Shares of ₹ 2 each held in the Company.
2. Approval of the Shareholders of the Company was obtained through postal ballot for capitalisation of a sum not exceeding ₹ 8,54,20,770/- for the purpose of issue and allotment of bonus equity shares in the proportion of one Equity Share of ₹ 2 each for every two Equity Shares of ₹ 2 each held in the Company.
3. The Company has allotted 4,27,08,385 Bonus Equity Shares of ₹ 2/- each as fully paid-up Bonus Equity Shares, in the proportion of 1:2, to the eligible Members whose names appeared on the register of Members/list of beneficial owners as on 23 June 2022, i.e. record date fixed for this purpose. Consequently, the paid-up Equity Share Capital of the Company stands increased from ₹ 17,08,33,540 divided into 8,54,16,770 Equity Shares of ₹ 2/- each to ₹ 25,62,50,310 divided into 12,81,25,155 Equity Shares of ₹ 2/- each.
4. The Board of Directors of the Company, at its meeting held on 10 March 2023 had approved the proposal for the buyback of 22,10,500 fully paid-up Equity Shares of face value of ₹ 2/- each at a price of ₹ 1,425/- per share representing 2.59% (not adjusted for Bonus undertaken by the Company as on 24 June 2022) of the total number of equity shares in the paid-up capital of the Company from the shareholders of the Company in terms of Sections 68,69,70 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018.
5. Allotment of 1,000 Equity Shares of ₹ 2/- each under Ajanta Pharma Share-Based Incentive Plan, 2019.

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

Alwyn D'Souza

FCS. 5559

C.P. No. 5137

UDIN: F005559E000261485

Place: Mumbai
Date: 5 May 2023

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

Annexure "D" – Secretarial Audit Report

Annexure to Secretarial Audit Report

To,
The Members,
Ajanta Pharma Limited

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

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

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

Alwyn D'Souza
FCS. 5559
C.P. No. 5137
UDIN: F005559E000261485

Place: Mumbai
Date: 5 May 2023

Annexure "E" – Median Remuneration

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

1	Name & Designation of Director & KMP	Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the FY 2023	% increase/(decrease) in remuneration in the FY 2023
(i)	Mr. Mannalal B. Agrawal	2:1	23.43%
(ii)	Mr. Madhusudan B. Agrawal	81:1	5.90%
(iii)	Mr. Yogesh M. Agrawal	348:1	(4.17%) [@]
(iv)	Mr. Rajesh M. Agrawal	348:1	(4.17%) [@]
(v)	Mr. Chandrakant M. Khetan	3:1	13.91%*
(vii)	Mr. K H. Viswanathan	2:1	13.66%*
(viii)	Mr. Prabhakar Dalal	2:1	13.48%*
(ix)	Dr. Anjana Grewal	2:1	20.60%*
(x)	Mr. Arvind K. Agrawal, Chief Financial Officer	36:1	14.32%
(xi)	Mr. Gaurang C. Shah, Company Secretary	20:1	19.38%
2	The Percentage increase in the median remuneration of employees in the financial year	11.00%	
3	The number of permanent employees on the rolls of company	7,713	
4	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average increase in remuneration of employee for the FY 2023 was 11%. As against that, managerial remuneration has reduced 0.8%. This is mainly on account of reduction in quantum of commission due to reduction in net profit. Profitability has been impacted due to steep hike in cost of material, freight and other components.	
5	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes	

Notes:

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

@ Includes Commission

Annexure "F" – Conservation of Energy, Technology Absorption etc.

A) CONSERVATION OF THE ENERGY



1. Steps taken for conservation of energy & reducing CO₂:

- Evaluation of all aspects such as retrofitting, upgradation of operational practices, cleaner technologies, third party energy audit etc.;
- Implementation of new technologies, harmonisation of best energy conservation practices across all sites and exploring opportunities of energy saving;

- For all new procurement as well as modification of any project, energy saving considered as a prime objective;
- Installation of energy monitoring system;
- Installation of condensate recovery system and use of PNG as boiler fuel instead of LDO, to improve boiler efficiency;
- Installed LED and/or energy star monitors across all sites;
- Installed static voltage stabiliser for reduction in energy consumption & maintenance cost;
- Installation of Statcon for improvement of power factor and reduction of harmonics;
- Close monitoring of HVAC operation across all sites to reduce energy usage;
- Installation of VSD for Reactor, HVAC, dust collectors, pumps, various process machines etc. across all sites;
- Implemented well-structured utility leakages management programme across all Ajanta sites for zero leakage;
- Implementation of best automation practices such as interlocking for machines which resulted in simplified operation, enhanced life of machines thereby reducing energy consumption and waste.

Impact of the above measures:

Reduction in energy consumption and cost	Received maximum benefit from Govt. of Maharashtra subsidy programme	Reduction in Carbon footprint & CO ₂ emission	Scope 1 & Scope 2 emission reduction for sustainable development	Reduction in per unit production cost	Reduction in leakage and wastage of energy	Reduction in waste

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

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

3. Capital Investment on energy conservation equipment:

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

B) TECHNOLOGY ABSORPTION



1. Research and Development (R&D)

- Development of in-house manufacturing of products for treatment of Hypertension, rheumatoid arthritis, neuropathic pain etc.
- Development of tablets for conversion from non-aqueous to aqueous coating and its successful launch.
- Development and launch of dermatological formulations for sun protection, moisturisation, treatment of acne, skincare etc. for overseas markets.
- Development of ANDA and generic products for US market for various ailments.
- Development and successful launch of formulations for treating type 2 diabetes mellitus, hypertension, chronic heart failure, allergic rhino conjunctivitis and itchy skin rashes, iron deficiency anemia, open-angle glaucoma and ocular hypertension, etc.

- Development of robust and cost-effective formulations for treatment of gout, hyperplasia, high lipid levels, heart diseases, eye infection etc.
- Development of Extended-Release/Delayed-Release oral solid dosage form products using Matrix technology.
- Development of products based on Solid Dispersion technology similar to innovator products.
- Development of Nanotechnology based ophthalmic products to enhance the ocular permeation with lower side effects and better treatment for patients.

2. Benefits derived as a result of R&D

Developed and stabilised **23** new products for Branded Generics

11 APIs successfully developed for different markets

4 APIs charged for stability study, **4** scaled up for production and **1** for commercial manufacturing

Received approvals for **7** ANDAs which include **2** tentative approvals

5 New ANDAs filed with USFDA

Received approvals for **45** products for Philippines market

Patent application for improved process for the preparation of '**Efonidipine**' was granted by the Indian Patent Office as IN 406001

In FY 2023, we have filed three patent applications for novel compositions for treatment of various diseases. These applications are pending at the patent office.

Annexure "F" – Conservation of Energy, Technology Absorption etc.

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

4. Expenditure on R&D

Particulars	₹ cr.
Capital Expenditure	18.20
Recurring Expenditure	237.01
Total	255.21
Total R&D expenditure as a percentage of total consolidated turnover	6%

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

- Activities relating to initiatives taken for increasing exports are discussed in Management Discussion & Analysis in this annual report.
- Total foreign exchange earned in terms of actual inflow as well as outgo in terms of actual outflow during the year:
 - Earnings in foreign currency ₹ 2,242.02 cr. (previous year ₹ 1,867.82 cr.)
 - Outgo in foreign currency ₹ 429.31 cr. (previous year ₹ 366.23 cr.)

Report on Corporate Governance



COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Company is committed to robust corporate governance that is aligned with the objective of maximising stakeholder value.

Pillars of Corporate Governance



All the actions and initiatives are governed by core values. Company is devoted to pursue its economic growth, being watchful of its ecological footprint and making positive social impact.

A firm affection for the mission, vision and values, together with an endeavour for consistent growth embodied in a culture of innovation, helps us create value for our stakeholders.



BOARD OF DIRECTORS

A. Composition and Category of Directors

- Ajanta has a diverse Board with optimum mix of Executive and Non-Executive Directors. The Board comprise of 8 Directors, with 50% Directors from Promoter group and 50% Independent Directors ("IDs") including one Woman Director. No director is having permanent Board seat.
- No charter document gives additional rights such as board nomination rights or transaction related rights or control-based rights to the non-controlling shareholders or give disproportionate voting power (in any form) to the controlling shareholders.

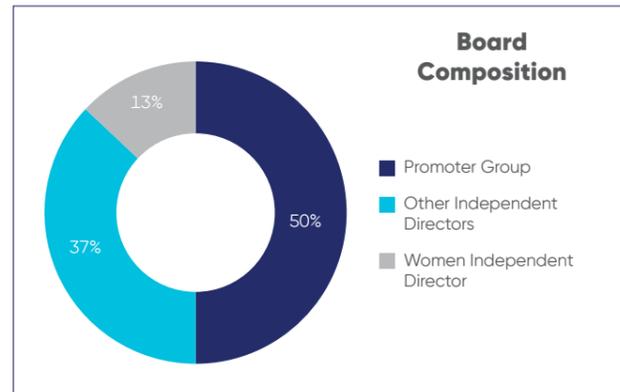
c) Composition of Directors, their other directorships & committee memberships and their attendance in Board/ Annual General Meeting ("AGM") during the financial year, are given below:

Name of the Director	Category	Attendance		Other Directorships	Committee Membership		Other entities in which person acting as Director	Category of other entities Directorship
		Board	AGM		Member	Chairman		
Mr. Mannalal B. Agrawal	P, NE	5	Yes	-	1	1	-	-
Mr. Madhusudan B. Agrawal	P, E	4	Yes	3	0	0	• Samta Mines and Minerals Limited • Inspira Infra (Aurangabad) Limited • Inspira Projects Limited	Director Managing Director Director
Mr. Yogesh M. Agrawal	P, E	5	Yes	-	0	0	-	-
Mr. Rajesh M. Agrawal	P, E	5	Yes	-	1	0	-	-
Mr. Chandrakant M. Khetan	ID	5	Yes	2	0	1	• Entremonde Polycoaters Limited • DGP Securities Limited	Managing Director Director
Mr. K. H. Viswanathan	ID	5	Yes	-	1	0	-	-
Mr. Prabhakar R. Dalal	ID	5	Yes	2	2	2	• Poonawalla Fincorp Limited • Poonawalla Housing Finance Limited	Director Director
Dr. Anjana Grewal	ID	5	Yes	0	1	0	-	-

Notes:

- P – Promoter, E– Executive, NE – Non-Executive, ID – Independent;
- Mr. Mannalal B. Agrawal and Mr. Madhusudan B. Agrawal are brothers. Mr. Yogesh M. Agrawal and Mr. Rajesh M. Agrawal are sons of Mr. Mannalal B. Agrawal;
- For calculation of Committee memberships/ Chairmanships, only Audit Committee and Stakeholders' Relationship Committee are reckoned;
- None of the Directors (a) hold membership in more than 10 public limited companies; (b) is member of more than 10 committees or chairperson of more than 5 committees across all the public companies in which he/she is a director;
- For calculation of other Directorship/Committee memberships/Chairmanships – private companies, Section 8 companies and foreign companies are excluded.

Report on Corporate Governance



- d) The Board has the appropriate mix of skills, competencies, experience, independence and knowledge to ensure their continued effectiveness. All the Directors have distinguished personality and have proven expertise in their respective fields.
- e) There are no Board cross linkages or any association with any business competitors, key suppliers or vendors.
- f) All the Committees have a balanced and non-conflict mix of Directors.
- g) The Board, *inter-alia*:

reviews and guides corporate strategy	approves annual budgets and capex
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reviews business plans and operations	formulates policies & practices for effective corporate governance
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monitors corporate performance	acts in the best interests of all stakeholders.
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- h) Executive Directors provide strategic management of the Company's businesses within the overall framework laid down by the Board and ensures business development and operational excellence in accordance with the set business objectives.

- i) Non-Executive Directors & Independent Directors (IDs) play critical role in setting up Board processes, issues of strategy, reviewing performance, standards of conduct etc. IDs also bring independent judgement on Board decisions.

B. Board Meetings and Attendance

- a) Board & Committee meetings are pre-scheduled and annual calendar of meetings is decided well in advance, to facilitate full attendance and active participation of Board members.
- b) During the year, meetings were held through video conferencing in accordance with the prescribed guidelines, as well as physically.
- c) Company Secretary prepares agenda for the meetings in consultation with the Chairman and the Managing Director ("MD"). Agenda setting out business to be transacted at the meeting(s), supported by notes, presentations and action taken reports (where applicable), is sent to Directors at least seven days before the date of the Board and committee meetings. Agenda items which are unpublished and price sensitive, are circulated at a shorter notice.
- d) Minutes of Board meetings of subsidiaries, minutes of Committees of the Board and all the critical information & papers are made available to the Board for effective decision-making.
- e) Management and other senior executives make presentation to the Board to apprise them of:
 - important developments in the industry
 - updates of domestic & global business
 - annual operating plans, budgets & capex
 - regulatory updates & challenges
 - R & D activities
 - New products launched
 - HR & employment engagement initiatives
 - important developments in subsidiaries
- f) There was no dissent from any Directors on any of the decisions of the Board or Committees.
- g) Draft minutes of the Board & Committees are circulated to Directors within 15 days from the date of the meeting and suggestions, if any, are incorporated in the final document.

- h) During the year, 5 Board Meetings were held on 10 May 2022, 28 July 2022, 3 November 2022, 1 February 2023 and 10 March 2023.

C. Directors Retiring by Rotation

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

D. Independent Directors & their Familiarisation

- a) All the IDs have confirmed that they are independent of the management. Maximum tenure of IDs is in accordance with the Act.
- b) During the year under review, one meeting of IDs was held on 1 February 2023 which was attended by all the IDs. Mr. Chandrakant M. Khetan, lead Independent Director chaired the meeting.
- c) The IDs *inter-alia* reviewed performance of Non-Independent Directors, Chairman and Board as whole as also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board.
- d) IDs also met the Statutory Auditors and Chief Internal Auditor and discussed on key audit findings, controls, access to the information, management support, etc.
- e) In order to enable the IDs take informed decision on various proposals placed in the meeting and for their effective involvement in board processes, in-house orientation programme is done for the IDs at each Board meeting. They are apprised of company's businesses & segments, operating plans & budgets, important policies, risk management plan, regulatory updates etc.
- f) Details of such orientation programmes conducted for IDs are put on the website of the Company. The link can be accessed at: <https://ajantapharma.com/images/DFP-14-04-2023.pdf>

E. Performance evaluation of Board, Committees and Directors

- a) Pursuant to the provisions of the Act and the Listing Regulations and as suggested by the Nomination and Remuneration Committee ("NRC"), Board carried out annual performance evaluation of Non-Independent Directors, Chairman and the Board as a whole. IDs at a separate meeting evaluated performance of Executive Directors, Board as a whole and Board committees.
- b) Performance of Chairman was evaluated on parameters such as effective leadership, seeking participation from board members, maintaining critical balance of different views, monitoring effectiveness of Corporate Governance practices, guidance & counsel in critical matters, moderatorship, conduct of impartial discussions etc.
- c) Performance of individual Directors was evaluated on the parameters such as devoting time, participation & contribution, upholding ethical standard of integrity & probity, safeguarding interest of all Stakeholders & managing conflict of interest, keeping abreast of Company affairs & external environment, domain knowledge, bringing individual judgement of Board decisions.
- d) Performance evaluation of Board and Board Committees was done on the basis of parameters such as its composition, discharge of functions, effectiveness & contribution, review of executive management performance, business acumen in strategic matters, setting tone of Corporate culture & values, providing leadership & direction, suggestion & recommendations to the Board, effectiveness in ensuring statutory compliances, risk management.
- e) Board also assessed the fulfilment of the independence criteria as specified in Listing Regulations, by the IDs and their independence from the management.
- f) Performance evaluation done by the Board and IDs revealed "Outstanding" rating for the Board as a whole, Individual Directors and Board Committees.

Report on Corporate Governance

F. Matrix setting out the core skills/expertise/competencies available with the Board of Directors

The Board comprises of Directors who possess repertoire of skills, expertise and competencies in various fields such as general management & administration, strategic thinking & business acumen, corporate governance, finance, forex management, sales & marketing, business development, supply chain, industry dynamics etc. that enables effective functioning of the Company. Specific skills possessed by Board members are as under:

Skills	Mannalal Agrawal	Madhusudan Agrawal	Yogesh Agrawal	Rajesh Agrawal	Chandrakant Khetan	Prabhakar Dalal	K H Viswanathan	Dr. Anjana Grewal
Strategic thinking & business planning	✓	✓	✓	✓	✓	✓	✓	✓
Industry knowledge & expertise	✓	✓	✓	✓				
General Management & administration	✓	✓	✓	✓	✓	✓	✓	✓
Sales & marketing		✓	✓	✓				✓
Accounting, Finance	✓		✓	✓	✓	✓	✓	
Forex & risk management			✓	✓	✓	✓	✓	✓
Sustainability	✓	✓	✓	✓	✓	✓	✓	✓
Corporate Governance & Regulation	✓	✓	✓	✓	✓	✓	✓	✓
Global business & economics		✓	✓	✓	✓	✓		
Stakeholder Relationship & CSR	✓	✓	✓	✓	✓	✓	✓	✓
Technology & business transformation			✓	✓				

G. Code of Conduct

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

H. Prevention of Insider Trading

- 'Ajanta's Code of Conduct for Insiders' ("ACCI") and the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' ("CFD") have been formulated and implemented in accordance with the SEBI (Prevention of Insider Trading) Regulations, 2015 ("PIT").
- ACCI lays down obligations and responsibilities of designated persons, mechanism for preventing insider trading, handling of UPSI, disclosure of UPSI for legitimate purpose, prohibited and permitted transactions, consequences for violation etc. Company periodically educates designated persons about ACCI.
- Company maintains adequate and effective system of internal controls and tool/software to monitor trading in securities by the Insiders. Company also maintains Structured Digital Database to ensure compliance with statutory requirements.
- Company Secretary has been appointed as Compliance Officer for ensuring implementation of ACCI and CFD.
- During the year, there has been due compliance with ACCI & CFD by the Company & all insiders and requisite disclosures were made to the Stock Exchanges.
- The Audit Committee reviewed the systems for internal controls on ACCI and found to be adequate and operating effectively.
- Pledge/de-pledge of shares by Promoters is disclosed to the Stock Exchange(s) within prescribed time limit.



COMPOSITION OF BOARD COMMITTEES

(as on 31 March 2023)

Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee
Mr. Chandrakant M. Khetan (C)	Mr. Prabhakar R. Dalal (C)	Mr. Mannalal B. Agrawal (C)
Mr. Mannalal B. Agrawal (M)	Mr. Chandrakant M. Khetan (M)	Mr. Rajesh M. Agrawal (M)
Mr. K H Viswanathan (M)	Mr. K H Viswanathan (M)	Dr. Anjana Grewal (M)
Mr. Prabhakar R. Dalal (M)	Dr. Anjana Grewal (M)	
Corporate Social Responsibility Committee	Risk Management Committee	Executive Committee
Mr. Mannalal B. Agrawal (C)	Mr. Yogesh M. Agrawal (C)	Mr. Yogesh M. Agrawal (C)
Mr. Madhusudan B. Agrawal (M)	Mr. Rajesh M. Agrawal (M)	Mr. Madhusudan B. Agrawal (M)
Mr. Chandrakant M. Khetan (M)	Mr. K. H. Viswanathan (M)	Mr. Rajesh M. Agrawal (M)
Mr. Yogesh M. Agrawal (M)	Mr. Arvind K. Agrawal (M)	



AUDIT COMMITTEE

- Composition and terms of reference of the Audit Committee are in accordance with Section 177 of the Act and Regulation 18 of the Listing Regulations. Committee has been vested with adequate powers to seek support from the resources in the Company and has access to the relevant information and records as well as the authority to obtain professional advice from external sources, if required.
- Committee comprises of 4 Directors, out of which 3 are IDs. All the members of the Committee are financially literate and have the ability to read and understand the financial statements.
- During the year under review, the Committee met 4 times on 10 May 2022, 28 July 2022, 3 November 2022 and 1 February 2023.
- All the Committee members were present at the meetings conducted during the year.
- The Company Secretary acts as Secretary of the Committee. Chief Financial Officer ("CFO"), Statutory Auditors and Internal Auditors are permanent invitees to the Committee meetings.
- Chandrakant M. Khetan, Chairman of the Committee had attended the Annual General Meeting of the Company held on 4 August 2022.

Report on Corporate Governance

- g) Items placed before the Audit Committee and its frequency of review during the year:

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

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



NOMINATION AND REMUNERATION COMMITTEE

- Composition, terms of reference and powers of the NRC are in accordance with Section 178 of the Act and Regulation 19 of the Listing Regulations.
- Committee comprises of 4 Directors, all IDs. During the year under review the Committee met 2 times, on 10 May 2022 and 1 February 2023.
- All the Committee members were present at the meetings conducted during the year.
- The Company Secretary acts as Secretary of the Committee.
- Items placed before the NRC and its frequency of review during the year:

Items placed before the Nomination & Remuneration Committee	Frequency of review
Consider recommending to the Board, re-appointment of Managing Director and Joint Managing Director	E
Recommend to the Board, remuneration to Whole-time Directors and Senior Management	Y
Formulate criteria for determining qualifications, positive attributes and independence of a Director	E
Recommend to the Board, Policy for remuneration of directors and employees	E
Formulate criteria for evaluation of performance of directors, Board & Board Committees	E
Determine eligible employees for granting options under Ajanta Pharma Share-Based Incentive Plan 2019	E
Allot shares exercised under ESOP	E
Decide mechanism for effective performance evaluation of Directors, Board and Committees	Y
Review following policies and recommend to Board: <ul style="list-style-type: none"> Policy for Determining Qualifications, Positive Attributes and Independence of a Director; Policy for Remuneration of Directors and Employees; Policy for Board & Independent Directors Evaluation Criteria; Policy on Board Diversity. 	E

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



REMUNERATION OF DIRECTORS

- Based on the recommendations of the NRC, the Board has formulated Policy for Remuneration of Directors and Employees. The policy can be accessed on the following link <https://ajantapharma.com//images/PolicyforRemunerationofDirectorsandEmployees.pdf>.
- There were no pecuniary relationships or transactions between the Non-Executive Directors and the Company during the FY 2023, save and except remuneration drawn as mentioned below.
- Remuneration paid to Executive and Non-Executive Directors during the year ended 31 March 2023:

Remuneration to Directors	Salary	Perquisite	PF	Sitting Fees	Commission	Total
Mr. Mannalal B. Agrawal	-	-	-	7.04	-	7.04
Mr. Madhusudan B. Agrawal	264.00	98.10	#	-	-	362.32
Mr. Yogesh M. Agrawal	1116.00	117.00	#	-	330.00	1563.22
Mr. Rajesh M. Agrawal	1116.00	117.00	#	-	330.00	1563.22
Mr. Chandrakant M. Khetan	-	-	-	7.43	4.44	11.87
Mr. Prabhakar R. Dalal	-	-	-	5.69	2.64	8.33
Mr. K. H. Viswanathan	-	-	-	6.59	2.64	9.23
Dr. Anjana Grewal	-	-	-	4.85	2.64	7.49

₹ 21,600



STAKEHOLDERS' RELATIONSHIP COMMITTEE

- Composition, terms of reference and powers of the Stakeholders' Relationship Committee are in accordance with Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations.
- Committee comprises of 3 Directors out of which 1 is ID. During the year under review, the Committee met 2 times, on 3 November 2022 and 10 March 2023.
- All the Committee members were present at the meetings conducted during the year.
- Company Secretary acts as Secretary of the Committee. He has also been appointed as the Nodal Officer in accordance with the statutory requirements.
- The Committee reviewed adherence to the service standards for investors adopted by Company's Registrar & Share Transfer Agent and various measures & initiatives taken for ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company and resolution of investor grievances.

- Executive Directors are paid remuneration in the form of salary, perquisites and commission in accordance with the Remuneration Policy and limits prescribed under the Act. No royalty has been paid to the Promoter or Promoter Group during the year.
- IDs are paid sitting fees and commission on net profits in accordance with the remuneration policy and based on their performance evaluation.
- No stock options were issued to any Directors during the year.

- f) Items placed before the Stakeholders' Relationship Committee and its frequency of review during the year:

Items placed before Stakeholders' Relationship Committee	Frequency of review
Review transfer of unclaimed dividend & shares to Investor Education & Protection Fund (IEPF) account	Y
Review effectiveness of resolving grievances of security holders	HY
Review of measures taken for effective exercise of voting rights by shareholders	Y
Review measures taken for reducing quantum of unclaimed dividend	Y
Review status of dematerialisation of shares	HY
Review shareholding pattern & pledge of promoters holding	HY
Review internal audit report of Internal Auditors of Registrar & Transfer Agents	Y
Review of service standards in respect of various services rendered by the Registrar & Share Transfer Agent	Y

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

Shareholder satisfaction survey was conducted during the year to assess shareholder satisfaction level and upgrade service standards wherever required. The responses confirm shareholder satisfaction with the services levels

Report on Corporate Governance

- g) During the year 4 complaints were received which were resolved satisfactorily and no complaints were pending as on 31 March 2023.



CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

- a) Composition, terms of reference and powers of the Corporate Social Responsibility ("CSR") Committee are in accordance with Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014.
- b) CSR policy is placed on the website and it can be accessed at <https://ajantapharma.com/images/CSRPoly2021.pdf>
- c) Committee draws annual action plan for CSR and periodically reviews all the CSR activities undertaken as per the plan and CSR policy.
- d) Committee comprises of 4 Directors out of which 1 is ID. During the year under review the Committee met 4 times, on 10 May 2022, 28 July 2022, 3 November 2022 and 1 February 2023.
- e) All the Committee members were present at the meetings conducted during the year.
- f) The Company Secretary acts as Secretary of the Committee.
- g) Items placed before the CSR Committee and its frequency of review during the year:

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

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



RISK MANAGEMENT COMMITTEE

- a) Composition, terms of reference and powers of Risk Management Committee are in accordance with the Regulation 21 of the Listing Regulations.
- b) During the year under review the Committee met 2 times, on 21 September 2022 and 10 March 2023.
- c) All the Committee members were present at the meetings conducted during the year.
- d) The Company Secretary acts as Secretary of the Committee.
- e) Items placed before the Risk Management Committee and its frequency of review during the year:

Items placed before Risk Management Committee	Frequency of review
To formulate Risk Management policy	E
To review Forex management policy and its implementation.	Y
To consider/approve the revised Risk Management Plan including ESG risks	E
To review Internal control system	Y
To monitor and oversee implementation of the Risk Management policy and evaluate adequacy of Risk Management systems	Y
Appointment, removal and terms of remuneration of the Chief Risk Officer	E

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



EXECUTIVE COMMITTEE

- a) Executive Committee deals with urgent operational matters viz., granting powers and authorities to employees, opening of bank accounts and change in authorities from time to time, availing various banking facilities and other routine administrative matters.
- b) 12 meetings of Executive Committee were held during the year.
- c) All the Committee members were present at all the meetings conducted during the year, except Mr. Madhusudan B. Agrawal who was present in 11 meetings out of 12.



GENERAL BODY MEETINGS

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

AGM	Date	Time	Venue	No. of special resolutions passed
41 st	30 July 2020	3.00 p.m.	Ajanta House, Charkop, Kandivali (West), Mumbai – 400 067 (through video-conference)	-
42 nd	14 July 2021	11.00 a.m.	Ajanta House, Charkop, Kandivali (West), Mumbai – 400 067 (through video-conference)	1
43 rd	4 August 2022	11.00 a.m.	Ajanta House, Charkop, Kandivali (West), Mumbai – 400 067 (through video-conference)	-

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



POSTAL BALLOT

- a) During the year under review, the Company conducted 2 Postal Ballots as detailed below, in accordance with the Section 110 of the Act and various MCA and SEBI circulars:

- i. Postal Ballot Notice dated 10 May 2022:

Sr. No.	Particulars	No. of votes polled	No. and % of votes in favour	No. and % of votes against
1.	Seeking Members approval by way of Ordinary Resolution for Issue of Bonus shares	7,43,04,321	7,35,62,575 (99.01%)	7,41,746 (0.99%)

- ii. Postal Ballot Notice dated 1 February 2023:

Sr. No.	Particulars	No. of votes polled	No. and % of votes in favour	No. and % of votes against
1.	Seeking Members approval by way of Ordinary Resolution for re-appointment of Mr. Yogesh M. Agrawal as Managing Director and increase in remuneration	11,25,07,313	10,16,96,252 (90.39%)	1,08,11,061 (9.61%)
2.	Seeking Members approval by way of Ordinary Resolution for re-appointment of Mr. Rajesh M. Agrawal as Joint Managing Director and increase in remuneration	11,25,07,313	10,16,96,144 (90.39%)	1,08,11,169 (9.61%)

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- b) Company had provided remote e-voting facility to enable all its members to cast their votes electronically on the aforementioned resolutions.
- c) Results of the remote e-voting and the Scrutiniser's Report are displayed on the Company's website and are simultaneously communicated to the Stock Exchanges.

available. Investor information on website is accessible, accurate and comprehensive. Contact of Investor Relation person is also placed on website.

e) Annual Report

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

f) Reminders to Shareholders for unclaimed shares/dividend

Reminders for unpaid dividend are sent to shareholders, regularly.

g) Filing with the Stock Exchanges

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

h) Investor Servicing

For enabling the investors to escalate their unresolved grievances, the Company has put up designated e-mail address, investorgrievance@ajantapharma.com. This e-mail id is checked on daily basis and immediate actions are taken for resolving Investor Complaints, if any.

Company also keeps watch on the grievances lodged on SCORES (centralised web-based system provided by SEBI) and NEAPs (NSE platform for resolving investor complaints) and they are resolved promptly.



MEANS OF COMMUNICATION

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

a) Financial Results

The annual, half-yearly and quarterly results are posted on website, submitted to the Stock Exchanges and published in Economic Times and Maharashtra Times newspapers within 48 hours.

b) Press releases, Presentations, etc.

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

c) Investor Calls

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

d) Website

Company's website contains a dedicated section 'Investors' wherein information appropriate/useful for shareholders is



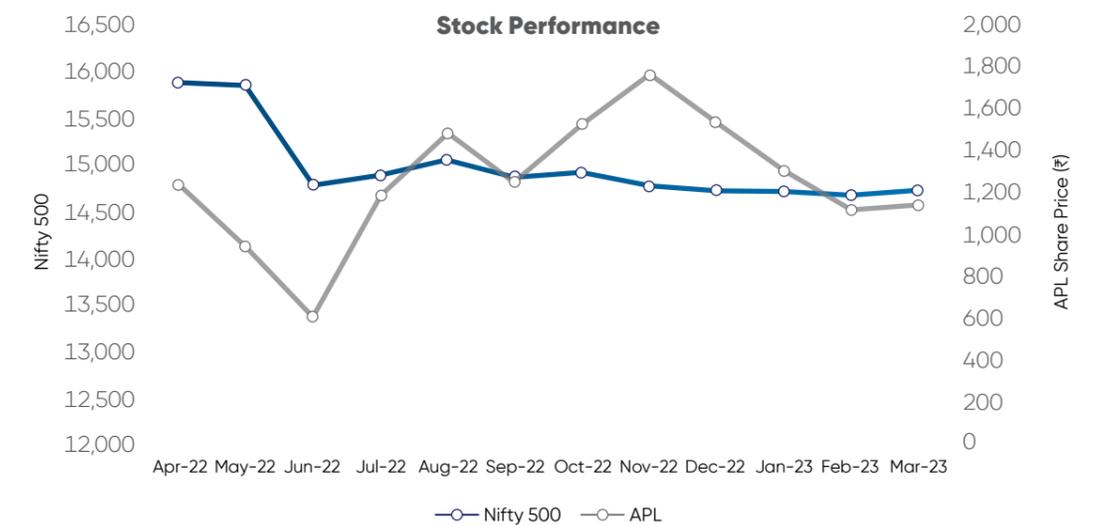
GENERAL SHAREHOLDERS INFORMATION

- A. 44th Annual General Meeting to be held on:** 18 July 2023 at 11.00 a.m. through video-conferencing or Other Audio-Visual Means.
- B. Financial Calendar:** 1 April 2023 to 31 March 2024
- C. Reporting Calendar:** Within 45/60 days from the end of the quarter/financial year respectively, as stipulated under the Listing Regulations.
- D. Dividend Payment Date:** Interim Dividend paid on 25 November 2022 is proposed as final dividend.
- E. Listing on Stock Exchanges:** BSE Limited (Code: 532331) & National Stock Exchange of India Limited (Code: AJANTPHARM).
- F. ISIN number for CDSL and NSDL:** INE031B01049
- G. Stock Market Data:**

	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-22 *	1,204.97	1,136.20	1,214.60	1,136.60
May-22 *	1,256.27	1,062.20	1,157.33	1,135.33
Jun-22 *	1,259.20	792.60	1,260.00	790.66
Jul-22	1,331.20	1,166.60	1,330.05	1,165.00
Aug-22	1,371.95	1,255.40	1,373.05	1,256.00
Sep-22	1,425.80	1,238.00	1,427.50	1,232.40
Oct-22	1,337.90	1,115.15	1,340.00	1,111.60
Nov-22	1,362.80	1,209.00	1,363.60	1,183.55
Dec-22	1,272.00	1,150.20	1,266.25	1,150.25
Jan-23	1,222.90	1,150.25	1,217.40	1,150.00
Feb-23	1,252.00	1,157.00	1,254.00	1,155.80
Mar-23	1,247.50	1,136.80	1,247.85	1,131.70

Note: * Adjusted for April, May & June 2022 w.r.t. bonus

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



Report on Corporate Governance

I. Registrar and Transfer Agents ("RTA")

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

J. Share Transfer System

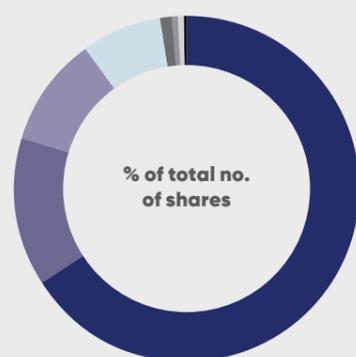
a) Transmission, dematerialisation of shares, dividend payment and all other investor related matters are attended to and processed by the Company's RTA as per the prescribed timeline upon receipt of complete documents.

- b) Stakeholders' Relationship Committee periodically reviews and takes note of transfer, transmission, remat, split & consolidation of share certificates etc.
- c) Audit of share transfer related activities is done by the Company Secretary in practice and compliance certificate is submitted to the Stock Exchanges on quarterly basis.
- d) Vide circular dated 24 January 2022, SEBI has notified that all requests for duplicate, split and consolidation shall be processed in only demat mode. In view thereof, shareholders holding equity shares in physical form are urged to have their shares dematerialised at the earliest.

K. Distribution of Equity Shareholding as on 31 March 2023

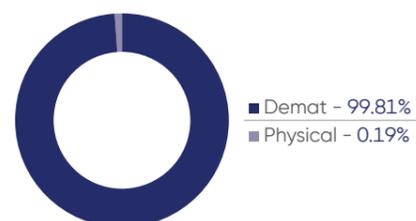
No. of shares held	Shareholders		Shares	
	No.	%	No.	%
■ Up to 500	81,623	96.06	24,62,277	1.92
■ 501-1000	1,158	1.36	8,05,076	0.63
■ 1001-2000	1,227	1.45	15,85,445	1.24
■ 2001-3000	317	0.37	7,62,053	0.59
■ 3001-4000	142	0.17	4,94,210	0.39
■ 4001-5000	80	0.09	3,60,946	0.28
■ 5001-10000	162	0.19	11,15,784	0.87
■ 10001 & above	264	0.31	12,05,39,364	94.08
TOTAL	84,973	100.00	12,81,25,155	100.00

L. Pattern of Shareholding



- Promoters Holding - 66.11%
- Mutual Funds - 13.77%
- FIIs /OCBs/NRIs - 10.26%
- Indian Public - 7.37%
- Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Government Institutions) - 1.30%
- Sovereign Wealth Funds - 0.46%
- Alternate Investment Funds - 0.46%
- Private Corporate Bodies - 0.27%
- In Clearance - 0.00%

M. Dematerialisation of Shares and Liquidity



Relevant data for the average daily turnover for FY 2023 is given below:

	Bombay Stock Exchange (BSE)	National Stock Exchange (NSE)	BSE + NSE
In No. of Shares	5,213	1,05,249	1,10,462
In value terms ₹	62,35,912	13,98,19,249	14,60,55,161

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

Company has not issued these types of securities.

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

- a) The Company does not have any significant exposure in commodities directly and does not carry out any commodity hedging activities.
- b) Currency risks mainly arise out of exports and overseas operations. Since about 68% of the Company's income is by way of exports with major currency exposure being in USD/EUR, the Company generally does currency hedging for 6 to 18 months and up to the extent of 50% to 75% of its net foreign exchange earnings. It uses forward exchange contracts and/or options to hedge against its net foreign currency exposures as advised by the Risk Management Committee and forex consultants. All material foreign exchange transactions are fully covered.

P. Plant Locations

Company has 7 Manufacturing Plants as detailed below:

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

Q. Contact Details for Correspondence

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

R. Credit Ratings

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

S. Updating KYC & Nomination

- a) Efforts are underway to update Permanent Account Number (PAN) and bank account details of shareholder(s).
- b) Members holding shares in electronic form are requested to register/ change their nomination and bank details with their Depository Participants.

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- c) Members holding shares in physical form are advised to register their nomination by submitting Form SH-13.
- d) If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14, as the case may be to the RTA. The said forms can also be downloaded from the Company's website https://ajantapharma.com/ajanta/Investors/investor_information_KYC_forms.
- e) SEBI has mandated holders of physical securities to furnish PAN, KYC and nomination details by 30 September 2023 and link their PAN with Aadhaar. In case holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date, our registrars are obligated to freeze such folios.
- f) Vide Circular dated 25 January 2022, SEBI has clarified that listed entities/ RTAs shall now issue a Letter of Confirmation in lieu of the share certificate, while processing any investor service requests in physical form for transfer, transmission, re-mat, split & consolidation of share certificates etc.

T. Reconciliation of Share Capital Audit

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

U. Employees Stock Option Scheme

During the year 2,000 options were granted under Ajanta Pharma Share-Based Incentive Plan 2019 and 1,000 options were exercised by an employee of the Company. The same was allotted and listed on the Stock Exchanges.

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

W. Subsidiary Companies

- a) Financial statements including investments made by the subsidiaries were reviewed by the Audit Committee. The Board periodically reviewed, material developments, financial

& operating performance and strategies as well as all the significant transactions and arrangements entered into by the subsidiaries.

- b) Minutes of the Board Meetings of the subsidiary Companies were placed at the Board Meetings held during the year.



OTHER DISCLOSURE

- a) Transactions with related parties are disclosed in Note no. 53 of the Financial Statements. There were no transactions with related party which are not at arm's length or amounts to more than 10% of revenues. No royalty has been paid to the Promoter or Promoter Group in the previous year. Comprehensive Related Party Transaction policy has been formulated which is available at: <https://ajantapharma.com/images/PolicyonRelatedPartyTransactions.pdf>.
- b) Company has put in place compliance management tool to monitor and ensure compliance with all applicable laws and regulatory requirements. The tool provides system driven alerts to the respective task owners for timely complying with the statutory requirements. There were no instances of material non-compliance nor has any penalties/strictures been imposed by Stock Exchanges or SEBI or any other statutory authorities on any matters related to capital market, during last 3 financial years.
- c) Company has put in place vigil mechanism/ Whistle-Blower Policy and details of the same are provided in the Directors' report. Policy is available on the website (<https://ajantapharma.com/images/Whistle-Blower-Policy-Feb-2023.pdf>). No personnel have been denied access to the Audit Committee.
- d) Company has complied with and disclosed all the mandatory corporate governance requirements under Regulation 17 to 27 and 46(2) of the Listing Regulations.
- e) There was no non-compliance of any requirement of corporate governance report. Further, all the disclosures are made to the Stock Exchanges and other regulatory bodies as and when required.

Company has also adopted following non-mandatory requirements specified in Part E of Schedule II of the Listing Regulation:

- Non-Executive Chairman is provided with an office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.
 - Financial performance highlights were sent to shareholders on a half-yearly basis.
 - The auditors have issued an unmodified opinion to the financial statements of the Company.
 - E & Y, Internal Auditors submits their internal audit reports directly to the Audit Committee.
- f) Disclosures on Commodity price risk or foreign exchange risk and hedging activities have been made in earlier paragraphs in this report.
 - g) Company had not raised any funds through preferential allotment or qualified institutional placement.
 - h) Certificate has been received from a Company Secretary in Practice stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority. The same is annexed to this report.
 - i) There were no instances where the Board had not accepted any recommendation of any committees during the financial year.
 - j) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, is mentioned in Notes to Accounts.
 - k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

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

- l) Details of material subsidiary of the Company:

Name of Material Subsidiary	Date of Incorporation	Place of Incorporation	Name of Statutory Auditor	Date of appointment of Statutory Auditor
Ajanta Pharma USA INC	7 December 2012	New Jersey, USA	KNAV PA	14 November 2019

- Mr. Chandrakant Khetan, lead Independent Director of the Company is nominated on the Board of Ajanta Pharma USA Inc. Web link of policy for determining material subsidiaries is <https://ajantapharma.com/images/PolicyonMaterialSubsidiaries.pdf>
- m) Certificate from MD and CFO pursuant to Regulation 17(8) of the Listing Regulations [Part B of Schedule II], is attached to this Report. MD and the CFO also gives quarterly certification on financial results to the Board in terms of Regulation 33(2) of the Listing Regulations.
- n) Disclosures have also been received from the senior management that there were no transactions with the Company either by them or their relatives during the FY 2023, having potential conflict with the interests of the Company.
- o) No loans and advances were provided by the Company or its subsidiaries, to firms/companies in which directors are interested.

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UNCLAIMED SHARES & DIVIDEND

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

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

#	Particulars	Shareholders	No. of shares
1.	Outstanding shares at the beginning of the year	10	10,500*
2.	Shareholders approached the Company for transfer	1	1,125
3.	Shareholders whose shares were transferred from suspense account	1	1,125
4.	Shares transferred to IEPF account	3	2,625
5.	Outstanding shares at the end of the year	6	6,750

*During the year, 3,500 bonus shares in the ratio of 1:2 were issued in unclaimed suspense account

- b) These shares including all benefits accrued thereon shall be transferred by the Company to the IEPF Authority in accordance with provisions of Section 124(5) and (6) of the Act and Rules framed thereunder. The voting rights in respect of such shares shall remain frozen till the rightful owner claims such Equity Shares.
- c) As per Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all the dividends which have not been paid or claimed for 7 (seven) consecutive years or more and underlying shares, shall be transferred to the Investor Education and Protection Fund Authority ("IEPF Authority"), after complying with the procedure. Accordingly, undermentioned dividend and underlying shares have been transferred to the IEPF Authority during the year.

Financial year	Amount of unclaimed dividend transferred (₹ lakh)	Number of shares transferred
2014-15	13.79	8,355
2015-16 (Interim)	11.96	3,719

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

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

- Login to website of MCA at <https://www.mca.gov.in/content/mca/global/en/home.html> and click on 'Investor Relations' tab under 'MCA Services' section for filing the web-based form IEPF-5 for the refund of dividend/shares. Read the instructions provided on the website/instruction kit carefully before filling the form.
- Submit the duly filled form by following the instructions given on the website. On successful uploading, an acknowledgement will be generated indicating the SRN. Please note down the SRN details for future tracking of the form.
- Take a print out of the duly filled Form No. IEPF-5 and the acknowledgement issued after uploading the form.
- Submit an indemnity bond in original, copy of the acknowledgement and self-attested copy of the Form, along with other documents as mentioned in the Form No. IEPF-5 to the Nodal Officer (IEPF) of the Company at its Registered Office in an envelope marked 'Claim for refund from IEPF Authority/Claim for shares from IEPF' as the case may be. Kindly note that submission of documents to the Company is necessary to initiate the refund process.
- Form IEPF-5 completed in all respects will be verified by the Company and on the basis of Company's e-Verification Report, refund will be released by the IEPF Authority in favour of claimant's aadhaar-linked bank account through electronic transfer and/ or the shares shall be credited to the demat account of the claimant, as the case may be.

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

Financial Year	Date of declaration	Tentative date for transfer to IEPF
2016-2017 (1 st Interim)	26.10.2016	01.12.2023
2016-2017 (2 nd Interim)	18.03.2017	23.04.2024
2018-2019 (Interim)	31.10.2018	06.12.2025
2019-2020 (Interim)	05.11.2019	11.12.2026
2020-2021 (Interim)	03.11.2020	09.12.2027
2021-2022 (Interim)	29.10.2021	04.12.2028
2022-2023 (Interim)	03.11.2022	09.12.2029

Details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority are also put on the Company's website. Shareholders who have not yet encashed



SHAREHOLDERS' RIGHT

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

their unclaimed/unpaid amounts are requested to correspond with the Company's RTA at the earliest to claim the same and avoid transfer of dividend and underlying shares to IEPF.



POLICIES

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

Name of the Policy/Code	Intranet/Internet (with weblink)
Code of Conduct for Directors & Senior Management	https://ajantapharma.com/images/CodeofConductforDirectorsandSeniorManagement.pdf
Business Responsibility and Sustainability policies	https://ajantapharma.com/images/BusinessResponsibilityPolicies.pdf
Ajanta Third-Party Code	https://ajantapharma.com/images/Third-Party-Code-of-Conduct.pdf
Code of Practices & Procedure for Fair Disclosure of UPSI	https://ajantapharma.com/images/CodeofPracticesnProceduresforFairDisclosure2019.pdf
Dividend distribution policy	https://ajantapharma.com/images/DividendPolicy.pdf
CSR Policy	https://ajantapharma.com/images/CSRPolicy2021.pdf
Policy for determination of materiality	https://ajantapharma.com/images/Policyfordeterminationofmateriality.pdf
Policy for determining qualifications of Director	https://ajantapharma.com/images/PolicyfordeterminingqualificationsofDirector.pdf
Policy for remuneration of Directors & Employees	https://ajantapharma.com/images/PolicyforRemunerationofDirectorsandEmployees.pdf
Policy on Archival of Documents	https://ajantapharma.com/images/ed3a5c00-25bd-4cd8-a933-06d0be554702ArchivalPolicy.pdf
Policy on Material Subsidiaries	https://ajantapharma.com/images/PolicyonMaterialSubsidiaries.pdf
Policy on Related Party Transactions	https://ajantapharma.com/images/PolicyonRelatedPartyTransactions.pdf
Risk Management Policy	https://ajantapharma.com/images/RiskManagementPolicy.pdf
Whistle-Blower Policy	https://ajantapharma.com/images/Whistle-Blower-Policy-Feb-2023.pdf
Ajanta's Code of Conduct for Insiders	Intranet
Policy on Board Diversity	Intranet
Policy on Board evaluation	Intranet
Policy on preservation of documents	Intranet
Policy on Procedure for inquiry in case of leak of UPSI	Intranet
Policy on Succession Plan	-
Risk Management Plan	-
IP policy	-
Investment Policy	-
Policy on Internal Financial Controls	-

For and behalf of the Board of Directors

Mannalal B. Agrawal
Chairman

Mumbai, 5 May 2023

Relying on Strength. Building on Strategy.

Report on Corporate Governance

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
Ajanta Pharma Limited
Ajanta House, 98 Govt. Industrial Area
Charkop, Kandivali (West), Mumbai - 400 067

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31 March 2023** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Designation	Date of appointment
1	Mannalal Bhagwandas Agrawal	00073828	Director	31.12.1979
2	Madhusudan Bhagwandas Agrawal	00073872	Whole-time Director	31.12.1979
3	Yogesh Mannalal Agrawal	00073673	Managing Director	29.04.2000
4	Rajesh Mannalal Agrawal	00302467	Whole-time Director	30.04.2013
5	Chandrakant Mohanlal Khetan	00234118	Director	20.10.2008
6	Prabhakar Ramchandra Dalal	00544948	Director	13.06.2014
7	Viswanathan Hariharan Kalpati	06563472	Director	30.04.2013
8	Dr. Anjana Grewal	06896404	Director	13.06.2014

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

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

Alwyn D'Souza
FCS No. 5559
C. P. No. 5137
UDIN: F005559E000261507

Place: Mumbai
Date: 5 May 2023

DECLARATION PURSUANT TO SCHEDULE V OF THE LISTING REGULATIONS

In accordance with Regulation 26 (3) and Schedule V of the Listing Regulations with the Stock Exchanges, I hereby declare that the Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct as applicable to them for the year ended 31 March 2023.

For **Ajanta Pharma Limited**

Yogesh M. Agrawal
Managing Director

Mumbai, 5 May 2023

Report on Corporate Governance

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

We, Mr. Yogesh M. Agrawal, Managing Director and Mr. Arvind K. Agrawal, Chief Financial Officer hereby certify for the financial year ended 31 March 2023 that:

- (a) We have reviewed IND AS financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with IND AS, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
 - (i) that there are no significant changes in internal control over financial reporting during the year;
 - (ii) that there are no significant changes in accounting policies during the year; and
 - (iii) that there are no instances of significant fraud of which we have become aware.

For **Ajanta Pharma Limited**

Yogesh M. Agrawal
Managing Director
Mumbai, 5 May 2023

For **Ajanta Pharma Limited**

Arvind K. Agrawal
Chief Financial Officer

CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of **AJANTA PHARMA LIMITED**,

1. We have examined the compliances of the conditions of Corporate Governance by **AJANTA PHARMA LIMITED** ("the Company") for the financial year ended **31 March 2023**, as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 ("Listing Regulations").
2. The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Alwyn D'Souza
FCS No. 5559
C. P. No. 5137

UDIN: F005559E000261529

Place: Mumbai
Date: 5 May 2023

Business Responsibility and Sustainability Report

STATEMENT BY MANAGING DIRECTOR

Building a safe and sustainable environment with embedded Environment, Social and Governance (ESG) within our value creation and sustainability model is at the core of Ajanta Pharma. We have integrated ESG strategy in our business operations and have taken various measures/ initiatives on this front. We have also set goals and targets to measure our progress on each of the parameters under the ESG umbrella to ensure that we keep improving our own achievements.

- Protection of human rights and prevention of sexual harassment;
- Supporting local and underprivileged communities through various CSR activities in the areas of healthcare, education and community welfare;
- Training and sensitisation programmes for our employees on ethics, integrity and community welfare.

As regards Governance, we are committed to:

- Robust corporate governance with the objective of maximising stakeholder value;
- Adopt a stakeholder-centric approach;
- Continuously engage with stakeholders to address material issues;
- Achieve our vision of protecting people and the environment.

We are motivated by the support of all stakeholders in our endeavour towards ESG and will keep enhancing our standards.

On the Environment front, we are committed to:

- Generation and use of renewable energy – 50% by 2026 and 100% by 2032;
- Waste management – reduce 20% waste by 2026 and improve recycling methods;
- Produce sustainable medicines and conduct product life cycle assessment;
- Water conservation – reduce consumption by 30% by 2026 and become water positive by 2030;
- Reducing GHG emissions, reducing organic load to ETP, tree plantation etc.

On the Social front, we ensure:

- Health, safety and well-being of all the employees with zero fatality;

Regards,

Yogesh Agrawal



SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1. **Corporate Identity Number (CIN) of the Listed Entity** – L24230MH1979PLC022059
2. **Name of the Listed Entity** – Ajanta Pharma Limited
3. **Year of incorporation** – 31/12/1979
4. **Registered office address** – Ajanta House, Charkop, Kandivali (West), Mumbai – 400 067
5. **Corporate address** – Ajanta House, Charkop, Kandivali (West), Mumbai – 400 067
6. **E-mail** – legal.info@ajantapharma.com
7. **Telephone** – 022 66061000
8. **Website** – www.ajantapharma.com
9. **Financial year for which reporting is being done** – 1 April 2022 – 31 March 2023
10. **Name of the Stock Exchange(s) where shares are listed** – BSE Limited and National Stock Exchange of India Limited
11. **Paid-up Capital** – ₹ 25.62 cr.
12. **Name and contact details (telephone, e-mail address) of the person who may be contacted in case of any queries on the BRSR report** – Arvind K. Agrawal, CFO, 022 66061000, arvind.agrawal@ajantapharma.com
13. **Reporting boundary** – Standalone basis

II. PRODUCTS/SERVICES

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Pharmaceutical	Manufacture and sale of branded generic and generic pharmaceutical products.	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Products/Services	NIC Code	% of total Turnover contributed
1	Pharmaceutical products	210	100%

III. OPERATIONS

16. Number of locations where plants and/or operations/offices of the entity are situated:

Locations	Plants	R&D centres	Warehouses	Offices	Total
National	7	3	4	2	16
International	NA	NA	NA	29	29

17. Markets served by the entity:

a) Number of locations

Locations	Number
National	Pan India
International (No. of countries)	30+

b) What is the contribution of exports as a percentage of the total turnover of the entity?

Presently, the Company is exporting its products to more than 30 countries in Asia, Africa and the US. The Company's export contribution is 68% of the total turnover.

c) A brief on types of customers.

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

Business Responsibility and Sustainability Report

IV. EMPLOYEES

18. Details as at the end of the Financial Year:

a) Employees and workers (including differently abled)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1.	Permanent (D)	7,601	7,049	93%	552	7%
2.	Other than Permanent (E)	39	29	74%	10	26%
3.	Total employees (D + E)	7,640	7,078	93%	562	7%
Workers						
4.	Permanent (F)	112	112	100%	-	0%
5.	Other than Permanent (G)	2,518	2,410	96%	108	4%
6.	Total workers (F + G)	2,630	2,522	96%	108	4%

b) Differently-abled employees and workers

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

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8	1	12%
Key Management Personnel	4	-	-

20. Turnover rate for permanent employees and workers

	FY 2023			FY 2022			FY 2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	27%	21%	27%	22%	20%	22%	37%	33%	37%
Permanent Workers	2%	0%	2%	5%	0%	5%	8%	0%	8%

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

21. (a) Names of holding/subsidiary/associate companies/joint ventures

S. No.	Name (A)	Nature of association	% of shares held by the listed entity	Does entity in column A participates in the BRSR initiatives of the listed entity?
1.	Ajanta Pharma USA Inc.	Subsidiary	100%	Yes, to the extent feasible.
2.	Ajanta Pharma Philippines Inc.	Subsidiary		
3.	Ajanta Pharma Mauritius Limited	Subsidiary		
4.	Ajanta Pharma Nigeria Limited	Subsidiary		

VI. CSR DETAILS

22. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: Yes

Turnover ₹ 3,411.27 cr.

Net worth ₹ 3,246.45 cr.

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

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

Complainant group of Stakeholder	Grievance Redressal Mechanism in Place	FY 2023		FY 2022	
		Filed during the year	Pending resolution at close of the year	Filed during the year	Pending resolution at close of the year
	(If yes, then provide web-link for grievance redressal policy)				
Customers	Yes. Customers address their grievances through e-mail on product.complaint@ajantapharma.com or enquiry form placed on Company's website: https://www.ajantapharma.com/ajanta/Contact	168	4*	176	Nil
Shareholders & Investors	Yes. Company's Registrar & Transfer Agent, M/s. Link Intime India Pvt. Ltd., looks after all the grievances/ enquiries/queries of Shareholders/Investors. There is a dedicated e-mail address of the Company viz investorgrievance@ajantapharma.com for escalating unresolved investor grievances.	4	Nil	Nil	Nil
Employees & workers	Yes. Employees can put their grievances in the complaint/ suggestion boxes placed at each office/plant. Employees can also raise their grievance on whistleblower@ajantapharma.com for any wrongdoing observed in the Company.	Nil	Nil	Nil	Nil
Value Chain Partners	Yes. Value Chain Partners can raise their grievances by writing to the concerned functional head or location head. The same is attended promptly by the concerned head.	Nil	Nil	Nil	Nil
Communities	Yes. Communities can raise their grievances through the concerned Plant head or CSR head.	Nil	Nil	Nil	Nil

*Received recently.

Business Responsibility and Sustainability Report

24. Overview of the entity's material responsible business conduct issues

Below paras indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to our business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications.



Product Quality and Safety

Whether Risk or Opportunity	Both, Risk & Opportunity
Rationale for identifying the risk/opportunity	<p>Risk rationale</p> <ul style="list-style-type: none"> Pharma industry is highly regulated. Product quality/safety is very critical for success of the Company. Any deviation or gap in product quality/safety will adversely impact the image and revenue of the Company. It will also attract actions from regulators. <p>Opportunity rationale</p> <p>Maintaining product quality, efficacy, safety and meeting all regulatory requirements will demonstrate the Company's commitment towards patient safety and elevate the brand image.</p>
In case of risk, approach to adapt or mitigate	<ul style="list-style-type: none"> The Company has in place, stringent pharmacovigilance processes and global quality standards to ensure quality of its products. Rigorous quality control and quality assurance processes ensure that every single product manufactured by the Company meets highest quality standards. Employees are imparted regular trainings in the areas of pharmacovigilance management and global GMP. Periodic quality review of third-party locations is done to ensure quality and safety of products emanating from these locations.
Financial implications of the risk or opportunity	<p>Positive</p> <p>Products meeting the quality and safety standards will lead to higher consumer confidence and enhanced revenue.</p> <p>Negative</p> <p>Quality and safety issues may lead to penalties and other actions from regulators and also may have an adverse impact on the Company's brand image and consumer confidence.</p>



Occupational Health and Safety

Whether risk or opportunity	Both, Risk & Opportunity
Rationale for identifying the risk/opportunity	<p>Risk rationale</p> <p>Unhealthy, unsafe and hazardous work conditions can cause physical and mental health issues for workers which will lead to reduced productivity. Any gaps in meeting Health & Safety (HS) regulatory standards can lead to penal actions.</p> <p>Opportunity rationale</p> <p>Robust Environmental, Health and Safety (EHS) Management System with a comprehensive Occupational Health and Safety (OHS) Risk Management and Mitigation Plan will showcase the Company's commitment towards the health and safety of its workforce. Fewer HS issues boost employee morale and results in higher efficiency and better-quality products.</p>
In case of risk, approach to adapt or mitigate	<p>Committed to providing robust HS management system by:</p> <ul style="list-style-type: none"> Providing safe and healthy working conditions for the prevention of work-related injury and ill health. Meeting regulatory standards/requirements and taking steps for continued improvement. Conducting periodic audits to identify HS risks and taking proactive steps to minimise and mitigate the same.
Financial implications of the risk or opportunity	<p>Positive</p> <p>Robust OHS standards minimise or prevent the occurrence of untoward incidents and bring higher productivity. It also contributes to elevate brand image of the Company amongst regulators and investors.</p> <p>Negative</p> <p>Poor OHS will result in frequent untoward incidents and lower employee morale and productivity.</p>



Regulatory Compliance

Indicate whether risk or opportunity	Both, Risk & Opportunity
Rationale for identifying the risk/opportunity	<p>Risk rationale</p> <p>Pharmaceutical industry is highly regulated. Stringent processes and systems needed to comply with pharmacovigilance, CGMP, CGLP and other regulatory requirements. Even a minor non-compliance with regulatory requirements may result in loss of reputation and business.</p> <p>Opportunity rationale</p> <p>Strict and proactive regulatory compliance gives competitive advantage and lifts brand image. It also enables the Company to penetrate new markets/ geographics.</p>
In case of risk, approach to adapt or mitigate	<ul style="list-style-type: none"> Standard Operating Practices (SOPs) and protocols laid down for every compliance requirement. Review by quality assurance team along with cross functional team at regular intervals. Expert external consultants are engaged for internal audits to ensure 100% compliance. Actively engaging with regulatory agencies to mitigate the risk.
Financial implications of the risk or opportunity	<p>Positive</p> <p>Compliance with regulatory requirements gives competitive advantage in augmenting sales on a sustainable basis. It also lifts brand image for focusing on larger markets.</p> <p>Negative</p> <p>Non-compliance with regulatory requirements may affect the Company's brand image, bring loss of business and hamper growth in the long-term.</p>



Product development, innovation & pricing

Indicate whether risk or opportunity	Opportunity
Rationale for identifying the risk/opportunity	<p>Innovative and first-to-market products developed after extensive R&D helps the Company stay relevant in its market, stay ahead of the competition and grow consistently. It is essential for a wider consumer base and long-term viability.</p> <p>Development of complex and novel drug delivery systems enable the Company to contribute towards product accessibility.</p>
In case of risk, approach to adapt or mitigate	NA
Financial implications of the risk or opportunity	<p>Positive</p> <p>Extensive product range and innovative products at affordable prices augment growth, revenue and profits.</p>



Sustainable Supply Chain Management

Indicate whether risk or opportunity	Both, Risk & Opportunity
Rationale for identifying the risk/opportunity	<p>Risk rationale</p> <p>Sustainable supply chain management involves integrating environmentally and financially viable practices into the complete supply chain lifecycle; from product design and development to material selection, manufacturing, packaging, transportation, warehousing, distribution, consumption, return and disposal. Unprecedented situations may lead to disruptions in the supply chain and consequently impact business continuity. Supply chain not adhering to the Company principles may adversely affect the Company's dealing with them and thereby impact the business.</p> <p>Opportunity rationale</p> <p>Sustainable supply chain management assists in not only reducing total carbon footprint, but also in optimising the Company's end-to-end operations to achieve greater cost savings and profitability.</p>
In case of risk, approach to adapt or mitigate	<p>The Company has established robust systems to assess the implication of unprecedented situations that can disrupt the supply chain and develop contingency plans to avoid material impact on the business.</p> <p>We undertake periodic assessment of suppliers to ensure that they adhere to the Company's principles on responsible business conduct and the regulatory framework governing human rights.</p>
Financial implications of the risk or opportunity	<p>Positive</p> <p>Strong supply chain practices enables the Company to swiftly deal with unprecedented disruptions and thwart any adverse impact on operations. Sustainable supply chain enhances commitment to protection of human rights and integrating ESG parameters across the value chain.</p>

Business Responsibility and Sustainability Report



Risk Management

Whether risk or opportunity	Both, Risk & Opportunity
Rationale for identifying the risk/opportunity	<p>Risk rationale Deficiency of robust controls and lack of proper risk management & mitigation system may lead to adverse impact on business operations and growth plans.</p> <p>Opportunity rationale Proper risk management processes enable the Company to address the risks in a timely and efficient manner and thereby thwart any interruption or disruption of business. It also bolsters the Company's business continuity plan.</p>
In case of risk, approach to adapt or mitigate	<p>Managing risk is an interactive process and assists us in setting strategy, achieving objectives and making informed decisions.</p> <p>The Company has a well-established risk management system which includes identification of various risks, analysis and assessment of risks identified, formulation of risk management and mitigation strategies and implementation of the same to ensure business continuity, if risk materialises.</p> <p>Major risks identified are regulatory, competition, ESG, supply chain disruption, cyber & data security, economic and political etc.</p>
Financial implications of the risk or opportunity	<p>Positive A robust Risk Management and Mitigation Plan enables the Company to take timely actions/measures to minimise the chance of risk materialisation and its adverse impact, if the risk indeed materialises.</p>



ESG Governance Risk

Whether risk or opportunity	Both, Risk & Opportunity
Rationale for identifying the risk/opportunity	<p>Risk rationale ESG governance risks have become more imperative in the business. The Company's environmental, social and governance factors could create a bad reputation or harm the Company financially.</p> <p>Opportunity rationale Embedding the ESG parameters in the Company's governance structure will augment performance around ESG aspects and reflect commitment to build a sustainable business.</p> <p>It helps the Company to create financial value in the long run through sustainable methods of production and also balance its financial performance against sustainability risks.</p>
In case of risk, approach to adapt or mitigate	<p>The Company is taking proactive initiatives on the ESG front and integrating the ESG parameters in the business plan which will reduce risk considerably.</p> <p>Also, there is an effective audit and assurance regime around ESG disclosures.</p>
Financial implications of the risk or opportunity	<p>Positive Various ESG initiatives by the Company will lead to sustainable business in the long run, enhance the brand reputation and increase trust in the investor community.</p>



Talent Management Risk

Whether risk or opportunity	Both, Risk & Opportunity
Rationale for identifying the risk/opportunity	<p>Risk rationale Getting and retaining the right talent is crucial to the success of any organisation. Inability to meet the workforce expectations and well-being may impact the Company's retention rate and adversely affect business operations.</p> <p>Opportunity rationale The Company considers its employees as invaluable assets and is committed to provide a conducive environment that values their contribution and provides them opportunities to grow. This enables the Company to attract and retain the right talent.</p>
In case of risk, approach to adapt or mitigate	<p>The Company invests in training and professional development to equip employees with the necessary skills, domain expertise and latest technology in line with the business strategy. It also conducts employee engagement programmes to keep them motivated.</p> <p>The Company's employee compensation structure and yearly increase in the remuneration of employees coupled with congenial work environment considerably reduces the employee turnover.</p>

Whether risk or opportunity	Both, Risk & Opportunity
Financial implications of the risk or opportunity (Indicate Positive/Negative Implications)	<p>Positive Right talent mix, highly motivated workforce and high retention rate provides the much-needed consistency in the performance of the Company.</p> <p>Negative Inability to meet employee expectations and matching their remuneration to that of competitors, may result in adverse impact on workforce productivity and the Company's growth plan.</p>



Data Integrity and Cyber Security

Whether risk or opportunity	Both, Risk & Opportunity
Rationale for identifying the risk/opportunity	<p>Risk rationale Technology advancement and cyber security risks directly impact business operations. The criticality involved with the technology and cyber security needs to be assessed periodically to prevent any unforeseen breaches of data security and data privacy.</p> <p>Opportunity rationale A sound governance of data integrity and cyber security and various safety features embedded in the management of IT systems, enable the creation of a secure and impenetrable network that adequately supports business operations and thwarts any attempt towards disrupting the workflow.</p>
In case of risk, approach to adapt or mitigate	<p>Strong IT management and monitoring system, anti-virus and fire walls to prevent any data integrity and cyber security breaches.</p> <p>Training and awareness sessions are conducted for the employees to make them conversant with the latest trends in data integrity and cyber security.</p>
Financial implications of the risk or opportunity	<p>Positive Innovative technology, digitalisation initiatives and requisite training to the team will ensure compliance with data security, privacy and prevent any loss of data or cyber-attacks.</p> <p>Negative Weak data integrity and cyber security mechanisms may lead to data breaches and loss of valuable data.</p>

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred to as P1-P9 as given below:

P1	Businesses should conduct and govern with integrity, and in a manner that is ethical, transparent and accountable.
P2	Businesses should provide goods and services in a manner that is sustainable and safe.
P3	Businesses should respect and promote the well-being of all employees, including the ones in their value chains.
P4	Businesses should respect the interests of and be responsive towards all stakeholders.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaging in influencing public and regulatory policies, should do so in a manner that is responsible and transparent.
P8	Businesses should promote inclusive growth and equitable development.
P9	Businesses should engage with and provide value to consumers in a responsible manner.

Business Responsibility and Sustainability Report

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

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b) Has the policy been approved by the Board? (Yes/No)	Yes, the Company has laid down comprehensive policies covering these principles and all the policies have been approved by the Board.								
c) Web Link of the Policies, if available.	https://ajantapharma.com//images/BusinessResponsibilityPolicies.pdf								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Company has translated these policies into procedures and practices wherever applicable.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Policies are extended to value chain partners to the extent required and feasible.								
4. Names of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trusted) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	All our manufacturing sites are adhering to cGMP standards, apart from accreditations by Central Drugs Standard Control Organisation (CDSCO: India), ISO 9001:2015 and international regulatory authorities such as USFDA, WHO etc.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	As provided below								
6. Performance of the entity against the specific commitments, goals and targets, along with reasons in case the same are not met.									

Principles	Specific commitments, goals and targets set by the entity	Performance in terms of specific commitments, goals and targets
P1 Ethics	Conducting regular training and education programmes for employees to promote ethical behaviour and ensure compliance with applicable laws and regulations.	Code of Conduct is placed on the intranet of the Company. Training and awareness programme on ethical conduct, Prevention of Sexual Harassment (POSH) and human rights are conducted for employees at the time of induction and periodically. Conducted Great Place to Work assessment to promote transparency and took appropriate actions as per feedback.
P2 Product Sustainability	To create a pollution-free environment by taking following actions: <ul style="list-style-type: none"> Non-Aqueous to Aqueous coating of products. Design processes with low carbon emissions. Undertake Life Cycle Assessment (LCA) of products to find out hot spots along the life cycle, tackle climate change, drive energy efficiency, encourage efficient use of resources and renewable energy. Air Conditioner system maintenance and replacement. Increase shelf life of products to decrease consumption of utilities, raw materials, man-hours and process time. 	Company's policy on Product Sustainability lays down stringent processes to ensure sustainable products. Following actions taken for creating pollution-free environment: <ul style="list-style-type: none"> Use of solvent has reduced in five products Reduced processing time, utility consumption and human exposure time w.r.t. solvents for two products Conducted LCA of one product Replaced R-22 gas with CFC-free refrigerant for 10 products to reduce its impact on the ozone layer Increased shelf life of five products and commenced destruction of expired products and packing material by incineration
P3 Employee well-being	Creating workplace culture that supports employee health, happiness and personal growth through a variety of initiatives, such as: <ul style="list-style-type: none"> Offering health insurance and personal accident policy etc. Providing opportunities for professional development and career advancement. Encouraging work life balance by offering flexible work arrangements. Promoting diversity, equity and inclusion by creating an environment where all employees feel valued and respected. Providing a supportive work environment that encourages open communication, collaboration and teamwork. 	Undertook following initiatives during the year: <ul style="list-style-type: none"> Provided health insurance and personal accident cover to all eligible employees and settlement of their claims on time HR policy was revised to provide flexi office timings to the employees Changed sandwich leave rules for the benefit of the employees Conducted following continuous learning programmes for employee development: <ul style="list-style-type: none"> Corporate Etiquettes Effective Work-Life Balance Good to Great training Collaborative Leadership Emotional Intelligence Happiness Mantra

Principles	Specific commitments, goals and targets set by the entity	Performance in terms of specific commitments, goals and targets
		<ul style="list-style-type: none"> Conducted following employee engagement programmes: <ul style="list-style-type: none"> Thank God it's Friday Independence Day celebration Clay Ganpati Making Smartphone Photography workshop Garba Evening OBT programmes Picnic Christmas Day celebration Trekking Ajanta Box Cricket League
P4 Stakeholder Engagement	<ul style="list-style-type: none"> Provide necessary mechanisms to the stakeholders for raising their grievances and giving suggestions for elevating service standards Address the grievances of stakeholder swiftly and to their satisfaction Undertake Stakeholder engagement activities and programmes for enhancing their trust and confidence Assess satisfaction of Shareholders 	<ul style="list-style-type: none"> Requisite mechanisms such as dedicated e-mail addresses, suggestion boxes etc put in place to enable shareholders, employees, vendors, communities and other stakeholders to raise their grievances and give suggestions All the grievances received from stakeholders are addressed immediately and resolved to their satisfaction Conducted employee training programmes for professional development Conducted training and orientation programmes for vendors and contract manufacturers to upgrade their skills Conducted stakeholder satisfaction survey to elevate the service standards
P5 Human Rights	<ul style="list-style-type: none"> Implementation of human rights policies and procedures that are consistent with international human rights standards to ensure that business operations do not contribute to human rights abuses Provide training and education to employees on human rights issues to ensure that the rights of all individuals are respected and protected Establish grievance redressal mechanisms to raise concerns about human rights abuses Conduct training and awareness programmes on POSH Provide equal opportunities to people with disabilities 	<ul style="list-style-type: none"> No human rights violations /complaints relating either to child, forced and involuntary labour or discriminatory employment, or sexual harassment Internal Complaint Committee in place at all locations to address complaints of sexual harassment Business Integrity Committee in place for attending to grievances or violations of human rights Conducted webinars and awareness programmes for employees on POSH and Human Rights Focused on equal opportunities for all Amended HR policies to protect rights of employees with disabilities, Transgender persons and people with HIV & AIDS
P6 Environment Management	<ul style="list-style-type: none"> We aim to achieve 50% renewable power by 2026 and 100% by 2032 Become water positive by 2025 Reduce organic load to Effluent Treatment Plan (ETP) More tree plantation for maintaining oxygen rich environment Waste reduction by 20% 	<ul style="list-style-type: none"> Installed solar plants at all its manufacturing locations which produce about 8% of its total energy requirements Various initiatives were taken to become water positive Audit carried out at two major operating units to reduce the use of raw water by 18% Continuous focus to reduce freshwater use and upgrading system to recycle treated wastewater All the personnel are trained to handle solvents safely This reduces the organic load of ETP by 15% which helps to maintain the wastewater parameter and increases the efficiency of treatment Increased tree plantation drive during the year at all the plants Most of our sites have achieved waste reduction targets
P7 Public Advocacy Policy	The Company's public advocacy aims to ensure that issues taken up have the right balance between the interests of company and of the society at large.	The Company addresses and takes up all such issues through industry forums and associations.

Business Responsibility and Sustainability Report

Principles	Specific commitments, goals and targets set by the entity	Performance in terms of specific commitments, goals and targets
P8 Equitable Development	<ul style="list-style-type: none"> Promote sustainable development and empower and uplift the local communities Undertake CSR activities in the areas of education, healthcare and rural development for the benefit and upliftment of the marginalised, economically weaker sections and local communities 	Conducted vaccination drives in the rural areas, distributed Covid-19 relief material, arranged cataract surgery and family welfare camps, aided various educational initiatives at schools and colleges for women's empowerment and skill & vocational development. The number of beneficiaries through our CSR efforts in the reporting year is as follows: <ul style="list-style-type: none"> Cataract and other camps: 67,000+ Family Planning: 8,900+ Malnutrition: 79,200+ Skin, Plastic Surgery and others: 15,000+ Education: 92,000+ Rural development & other areas: 12,000 Sports Promotion: 4
P9 Customer Service	The Company is committed to providing the highest quality products, attending to every customer complaint and resolving it promptly. A robust process is created for prompt resolution of customer complaints and concerns.	The Company has established stringent quality control and assurance checks and controls to deliver best-in-class products. Reduced time for complaint investigation and CAPA implementation. Packing and process-related complaints were tracked and additional controls were put in. Few complaints received from customers were resolved promptly and there are no pending complaints.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7. Statement by the Director responsible for the Business Responsibility Report, highlighting ESG-related challenges, targets and achievements.	Director's message is given at the beginning of this report.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility (BR) Policy.	Mr. Yogesh M. Agrawal, Managing Director Mr. Arvind K. Agrawal, Chief Financial Officer								
9. Does the entity have a specified committee of the Board/Director responsible for decision-making on sustainability-related issues? (Yes/No). If yes, provide details.	Yes. The Company has constituted an ESG Committee for decision-making on sustainability-related issues. The Committee comprises of all the important functional heads and meets once in two months to review the progress in implementing ESG initiatives. The Company's business responsibility performance is reviewed by the Board of Directors annually.								

10. Details of the Review of the National Guidelines on Responsible Business Conduct

Subject for Review	Indicate whether review was undertaken by Directors/Committee of the Board/any other Committee	Frequency (annually/half yearly/quarterly/any other-please specify)
	P1 to P9	
Performance against above policies and follow-up action.	Performance against all the policies is monitored and reviewed by the ESG committee and necessary actions are taken. The policies are also reviewed annually by the internal audit team.	
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances.	The Company has complied with all the regulatory and statutory requirements and there are no non-compliances.	

11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

Assessment/evaluation of working of the BRSR policies has been done by the internal audit team.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Not Applicable

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.



ESSENTIAL INDICATORS

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

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors and KMP	Board of Directors – 5 KMP – 5	P1 to P9	100%
Employees other than the Board of Directors and KMP	On an average, each employee spent four hours on various trainings.	The trainings covered upskilling and reskilling of employees on the following: <ul style="list-style-type: none"> ESG aspects Occupational Health and Safety Prevention of Sexual Harassment Human Rights Consumer Safety Cyber Security Regulatory compliance Code of Conduct on ethics Collaborative Leadership Emotional Intelligence Specific to department/business function Trainings covered P1 to P9 	100%
Workers	On an average, each worker spent three hours on various trainings.	Training programmes covered: <ul style="list-style-type: none"> Health & Safety Trainings Code of Conduct Prevention of Sexual Harassment Human Rights Regulatory compliance Trainings covered Principles 1, 2, 3, 5 and 6 	100%

2. Details of fines/penalties/punishments/awards/compounding fees/settlement amounts paid in proceedings with regulators/law enforcement agencies/judicial institutions in FY 2023:

Nil

3. Of the instances disclosed above, details of the appeals/revisions preferred in cases where monetary or non-monetary action has been appealed:

Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:

As per the Code of Conduct for Directors and Senior Management, anti-bribery and anti-corruption practices are required to be adhered to by them. Also, Ethics policy framed under the NGRBC principles mandates ethical conduct by employees, supply chain and business partners. The Company expects its value chain partners to adhere to the principles of the Code of Conduct and Ethics Policy.

Web links of these policies are as under:

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

Link of Ethics policy: <https://ajantapharma.com//images/BusinessResponsibilityPolicies.pdf>

5. Number of Directors/KMP/employees against whom disciplinary action was taken by any law enforcement agency on the charges of bribery/corruption:

Nil

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

No complaints of conflict of interest of Directors and KMP were received during the FY 2022 and FY 2023.

Business Responsibility and Sustainability Report

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest:
Not Applicable.

LEADERSHIP INDICATORS

- Awareness programmes conducted for value chain partners on any of the principles during the financial year:**
Few awareness programmes on ESG and human rights were conducted for value chain partners during the year.
- Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same:**
Yes, the Code of Conduct for Directors and Senior Management (the "Code") sets forth legal and ethical standards of conduct for them. The Code promotes:
 - Honest, fair and ethical conduct, including ethical handling of conflicts of interest between personal and professional relationships.
 - Compliance with applicable laws, rules and regulations.
 - Protection and proper use of corporate assets and confidential information.
 - Prompt internal reporting of violations of the Code.

Link of the policy:

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

Yearly declarations are received from the directors and senior management that they have abided by the Code of Conduct and there is no conflict of interest in any of their dealings.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE.



ESSENTIAL INDICATORS

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impact of products and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2023	FY 2022	Details of improvement in environment and social impact
R & D	27.92%	31.77%	<ul style="list-style-type: none"> Reduction of solvent consumption by adopting Non-Aqueous formulations to Aqueous formulations. Developed new products with DC formulations (Direct Compression Method) which enhanced process improvisation by reducing man hours, energy and time. Conducted LCA for one product. Increased shelf life of products to reduce the consumption of utilities, raw materials, man hours and process times, which helps the environment. The environmentally hazardous refrigerant, R-22 gas was replaced by the CFC free refrigerant R410A, which minimises damage to the Ozone layer.
Capex	72.08%	68.23%	

- Does the entity have procedures in place for sustainable sourcing?**

Yes, the Company has started screening suppliers based on their ESG parameters. It collects data of suppliers on parameters such as ISO/WHO certifications/inspections, SOPs and sanitation of premises and facilities, warehouse maintenance, production and packing standards and approaches, quality control, quality assurance, environmental monitoring, HVAC and water systems, protection of human rights, before onboarding them.

To enhance its impact on the environment and society, the Company sources more than 90% of its requirements from local communities.

- If yes, what percentage of inputs were sourced sustainably?**
>95%.
- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing off at the end of their lifecycle, for plastics (including packaging), e-waste, hazardous waste and other wastes.**
The packaging of the Company's products plays an important role in delivering safe, stable and trusted medicines. However, the plastic used in product packaging has an impact on the environment. The Company is adhering to the requirements of Plastic Waste Management Rules laid down by the Central Pollution Control Board. We have complied with the Extended Producers Responsibility (EPR) obligation under the Plastic Waste Management (PWM) Rules 2016. The Company is recycling 100% of the packaging foils with the help of its implementation partners.
The Company also has a process in place for sending recyclable waste like e-waste, hazardous waste and other wastes to the State Pollution Control Board (SPCB) and authorised agencies. The Company has a comprehensive SOP for handling and safe disposal of expired stocks.
- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the EPR plan submitted to Pollution Control Boards (PCB)? If not, provide steps taken to address the same.**
Yes, we work in compliance with PWM Rules, 2016 and the EPR guidelines. Our waste collection plan is in line with the EPR plan submitted to PCB.

LEADERSHIP INDICATORS

- Has the entity conducted Life Cycle Perspective/Assessments for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

Yes

NIC code	Name of Product/Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web link
210	MET XL - 50	1.50%	ISO 14044:2006	Yes, by SIPL Private Limited	No

- If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments or through any other means, briefly describe them, along with action taken to mitigate the same.**
No.
- Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**
The Company reclaims expired medicine stocks from the stockist as per its SOP. The reclaimed expired medicine stock is then disposed off in a safe manner, as per the regulatory guidelines.

Business Responsibility and Sustainability Report

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS.



ESSENTIAL INDICATORS

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

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	7,049	5,998	85%	7,052	100%	-	-	-	-	-	-
Female	552	503	91%	552	100%	552	100%	-	-	-	-
Total	7,601	6,501	86%	7,604	100%	552	100%	-	-	-	-
Other than Permanent employees											
Male	29	29	100%	29	100%	-	-	-	-	-	-
Female	10	10	100%	10	100%	10	100%	-	-	-	-
Total	39	39	100%	39	100%	10	100%	-	-	-	-

b) Details of measures for the well-being of workers

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	112	112	100%	112	100%	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	112	112	100%	112	100%	-	-	-	-	-	-
Other than Permanent employees											
Male	2,410	2,410	100%	2,410	100%	-	-	-	-	-	-
Female	108	108	100%	108	100%	108	100%	-	-	-	-
Total	2,518	2,518	100%	2,518	100%	108	4%	-	-	-	-

2. Details of retirement benefits, for the current and previous financial year

Benefits	FY 2023			FY 2022		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	100%	100%	Y	100%	100%	Y
Others – please specify	-	-	N.A.	-	-	N.A.

3. Accessibility of workplaces

Are the premises/offices accessible to differently-abled employees as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Various offices of the Company, including the registered and corporate offices have ramps for easy movement of differently-abled people. All other offices are also being made friendly for differently-abled employees and workers.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company believes in equal opportunity for all its employees and is committed to providing an inclusive work culture and an environment, free from any discrimination. Ajanta's policies cover the aspects of Rights of Persons with Disabilities Act, 2016 and the rules and regulations are committed towards empowering persons with disabilities.

5. Return to work and retention rates of permanent employees and workers who took parental leave

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	100%	100%	-	-
Total	100%	100%	-	-

Note: Under permanent workers there are no female employees

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

Particulars	Yes/No
Permanent Employees	Yes
Other than Permanent Employees	Yes
Permanent Workers	Yes
Other than permanent Workers	Yes

Yes. We have established a three-way approach to receive and redress grievances of employees:

- Open-door policy:** The employees may specify their grievance to their line manager and they also have the option of raising a grievance directly to the HR Manager.
- Committees for issues related to Human Rights:** We have Internal Complaints Committees (ICC) and a Business Integrity Committee. The ICCs have been formed to address sexual harassment grievances, whereas the Business Integrity Committee caters to grievances or violations pertaining to Human Rights.
- Suggestion Box:** We have a kept suggestion box at each plant/site. Employees are encouraged to provide suggestions, raise concerns with respect to health and safety practices, or any other concerns. We ensure that every complaint is treated seriously and dealt with consistently, in an impartial, confidential and transparent manner.

Business Responsibility and Sustainability Report

7. Membership of employees and workers in association(s) or unions recognised by the listed entity

The Company recognises the right to freedom of association and has recognised unions at two plants.

Category	FY 2023			FY 2022		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or union(s) (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or union(s) (D)	% (D/C)
Total Permanent Employees	7,713	-	-	7,120	-	-
- Male	7,049	-	-	6,577	-	-
- Female	552	-	-	543	-	-
Total Permanent Workers	112	103	92%	114	105	92%
- Male	112	103	92%	114	105	92%
- Female	-	-	-	-	-	-

8. Details of training given to employees and workers

Category	FY 2023					FY 2022				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	7,049	7,049	100%	5,728	81%	6,577	4,493	68.31%	42	0.64%
Female	552	552	100%	408	74%	543	92	16.94%	14	2.58%
Total	7,601	7,601	100%	6,136	81%	7,120	4,585	85.25%	56	3.22%
Workers										
Male	112	112	100%	112	100%	114	114	100%	-	-
Female	-	-	-	-	-	-	-	-	-	-
Total	112	112	100%	112	100%	114	114	100%	-	-

9. Details of performance and career development reviews of employees and workers:

Category	FY 2023			FY 2022		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	7,049	7,049	100%	6,577	6,049	91.97%
Female	552	552	100%	543	508	93.55%
Total	7,601	7,601	100%	7,120	6,557	92.09%
Workers						
Male	112	112	100%	114	9	7.89%
Female	-	-	-	-	-	-
Total	112	112	100%	114	9	7.89%

10. Health and Safety Management System

a) Whether an OHS management system has been implemented by the entity? (Yes/No). If yes, describe the system's coverage.

Yes, the Company places utmost emphasis on OHS management. Following are the objectives and commitments:

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

All work-related, health & safety risks and their causes in the work environment are identified. To mitigate the same, personal protective equipment is provided and awareness training related to SOPs and best practices is given to the employees and workers. Each site is supervised by the OHS management team and the site management, who conduct workplace inspections and hazard identifications, which are then notified to the OHS head.

Safety & Environmental audits are also conducted through external agencies to identify gaps and establish compliances. Central Safety Committee and emergency response teams are also formed to periodically conduct workplace and work zone monitoring at the sites. As a safety measure, signages including general safety instructions (also in vernacular languages), Life Safety Rules etc. are placed at all the factories. Process Safety Risk Assessment & Material Safety Data Sheet (MSDS) are also kept at all the sites. Health insurance & compensation, Occupational health centre, first aid points, firefighting systems (smoke detectors, fire alarm systems, fire extinguishers etc.), SOPs to operate plant activities in emergencies, ambulance service and Government approved on-site Emergency plan are also provided at all the sites. To ensure that the suppliers comply with OHS regulations, the Company gathers and assesses their data on various Health and Safety parameters and also the certifications of their sites.

Our two formulation units have been recommended for certification under ISO 45001.

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

We believe that risk assessment is an integral part of ensuring health, safety and well-being at the workplace. Risk assessment is carried out through Hazard Identification and Risk Assessment (HIRA) method which comprises of:

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

Periodic internal audits and leadership rounds are conducted to identify unsafe acts/conditions to improve and optimise risk levels. Corrective Actions and Preventive Actions (CAPA) is implemented based on the incident and the cause. Furthermore, follow up on implementation of CAPA is done to reassess the process if necessary.

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

Yes, systems are in place to report work-related hazards. Safety suggestion boxes are provided at each site where employees and workers can drop their concerns with details of the hazard identified. Based on the concerns raised, hazard risk level is evaluated and CAPA is implemented to either eliminate or to minimise hazard levels.

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

Yes, there is a Group Medclaim policy for all the employees and workers.

Business Responsibility and Sustainability Report

11. Details of safety related incidents, in the following format

Safety Incident/Number	Category	FY 2023	FY 2022
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	0.09	0.18
Total recordable work-related injuries	Employees	4	-
	Workers	6	1
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

12. Describe the measures taken by the entity to ensure a safe and healthy work place

The Company is committed to produce highest quality goods without sacrificing on safety and environmental needs. All work-related risks and their causes are identified. Personal protective equipment and training is provided to employees and workers. Workplace inspection and hazard identifications are conducted by OHS management team and site management. Safety & environmental audits of plants are done by competent persons/authorities under the Factories Act to ensure compliance. Central Safety Committee and Emergency Response Team like First Aider & Fire Fighter teams are also formed to ensure safety processes and risk assessment.

13. Number of complaints on the following made by employees and workers

	FY 2023			FY 2022		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health Safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year

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

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

As part of continuous improvement, following activities were carried out during the year:

- Static charge dissipation arrangement provided for expanded production area & solvent storage area in Dahej plant.
- Battery storage area isolated with provision of hydrogen detection & fire control system as per standard requirement.
- CO₂ flooding system provided for key electrical panels at manufacturing site.
- Periodic inspection, audits, testing undertaken through competent third parties at each site.
- Phase 2 installation carried out at API Waluj plant for automatic Solvent transfer system through SCADA.
- Provided fire retardant paint on incoming & outgoing cables of key electrical panels at Dahej unit.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of Employees (Y/N) (B) Workers (Y/ N).

Yes, we have death coverage under the EDLI and Gratuity Policies. Benefits like provident fund, pension as applicable, are settled on a priority basis.

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

We obtain monthly statutory payment challans for verification from vendors/contractors before processing their invoices.

This activity is also reviewed as part of the internal and statutory audit. The Company expects its value chain partners to uphold business responsibility principles and the values of transparency and accountability.

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

Nil.

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

Skill upgradation of all employees remains a continuous activity in the Company.

5. Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100% of the value chain partners are assessed and continuously monitored through audits/inspections on working conditions and H&S practices like ISO/WHO certifications, working conditions, quality checks, sanitary practices, fire safety and so on.
Working Conditions	

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

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

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS.



ESSENTIAL INDICATORS

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

Any individual or group of individuals or institution that adds value to the business chain of the Company is identified as a core stakeholder. The stakeholder groups are identified as part of the stakeholder engagement mechanism and accordingly customers, employees, suppliers & vendors, regulators, business partners, local communities and investors/shareholders are identified as critical stakeholders. There is a deep understanding between the stakeholders and the Company of their expectations and commitment to fulfil the same.

Business Responsibility and Sustainability Report

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

Key Stakeholders	Whether identified as Vulnerable & Marginalised Group (Yes/ No)	Channels of communication (E-mail, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/Half yearly/ Quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Direct and other communication mechanisms	On-going	The Company follows an open-door policy
Customers (Healthcare professionals, Dealers & Distributors)	No	E-mails, Meetings and Website	On-going	To stay abreast of developments in pharmaceutical sector, product quality and access, resolving grievances
Regulators	No	Meetings and other communication mechanisms	Need based	To stay abreast of the developments in policies, statutory compliances, approvals, permissions, etc
Suppliers and Vendors	No	E-mails and meetings	On-going	Identified key material issues in supply chain, collaboration
Business Partners (third party manufacturers)	No	E-mails and meetings	Need based	Address any issues concerning manufacturing, operations, supplies, provide necessary up-skilling
Local Communities and NGOs	Yes	Directly or through CSR implementation partners	On-going	Community development programmes with focus on Healthcare, Education, Rural Development and other Infrastructure Development
Investors / Shareholders	No	E-mail, Newspaper Advertisement, Website, Annual General Meetings, Disclosures to Stock Exchanges and Investor Meetings/Calls/ Conferences	Need based and Quarterly	To update them about important developments in the Company and address their grievances, regulatory compliances, corporate governance

LEADERSHIP INDICATORS

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

The Company believes that a constant and proactive engagement with the stakeholders is essential for sustained growth. The stakeholder engagement and materiality assessment exercise conducted in FY2021-22 led to the prioritisation of material issues, mapping of the risks relevant to each material topic and development of consequent risk mitigation steps. The process of consultation with stakeholders is delegated to the Managing Director, Joint Managing Director and Senior Management Team of the Company, who in turn hold consultations with different stakeholders on economic, environmental and social topics on a need basis. The Board is then apprised on a quarterly basis during Board Meetings.

2. Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. Ajanta Pharma believes in engaging with stakeholders to incorporate ESG parameters which are key to building a robust Sustainability/ESG strategy. We had conducted materiality assessment last year with our stakeholders to understand their concerns and feedback in terms of material topics pertaining to ESG parameters for the Company. As part of the risk management plan, the Company incorporated these aspects in its policies and develops mitigation action plans for the identified risks.

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

The Company supports the government's endeavour towards the CSR Rules and implements various initiatives with the mission to uplift and to improve disadvantaged, vulnerable and marginalised segments of society. We undertake CSR initiatives on healthcare, education and community development. We engage with various charitable organisations and NGOs to address the concerns of vulnerable/marginalised stakeholder groups. In healthcare, Samta Foundation conducts cataract operations, eye and skin camps, thereby bringing quality and reliable healthcare to rural and tribal regions of India. And as a community service, Samta Foundation creates sanitation awareness and provide meals and shelter to patients from rural areas visiting hospitals in cities. Mamta and Madhusudan Agrawal Memorial Foundation has contributed in areas such as:

- Mega Medical Health check-up camp.
- Nutrition projects for paediatric patients.
- Operating of Sanjeevani Multi-Speciality Hospital.
- Benz Hospital for Cancer Treatment.
- Parkinson's Disease & Movement Disorder Society.
- Society for Rehabilitation of Crippled Children for medical treatment of needy children.
- Construction of Maharaja Agrasen Bhawan.
- Educational help by paying school fees of 20 children.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS.



ESSENTIAL INDICATORS

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

Category	FY 2023			FY 2022		
	Total (A)	No. of employees/workers covered (B)	of /% (B/A)	Total (C)	No. of employees/workers covered (D)	of/% (D/C)
Employees						
Permanent	7,601	7,601	100%	7,120	7,120	100%
Other than permanent	39	39	100%	201	201	100%
Total Employees	7,640	7,640	100%	7,321	7,321	100%
Workers						
Permanent	112	112	100%	114	114	100%
Other than permanent	2,518	2,518	100%	2,147	-	-
Total Workers	2,630	2,630	100%	2,261	114	5.04%

Note: Guidance: Training programmes on human rights issues and policies for employees and workers could include aspects of human rights that are relevant to operations, including the applicability of the human rights policies or procedures to the work done by employees/workers.

The training pertains to the Code of Conduct and the Human Rights Statement of the Company.

Business Responsibility and Sustainability Report

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023					FY 2022				
	Total (A)	Equal Minimum Wage to		More than Minimum Wage		Total (D)	Equal Minimum Wage to		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	7,601	-	-	7,601	100%	6,892	-	-	6,892	100%
Male	7,049	-	-	7,049	100%	6,379	-	-	6,379	100%
Female	552	-	-	552	100%	513	-	-	513	100%
Other than Permanent	39	-	-	39	100%	179	-	-	179	100%
Male	29	-	-	29	100%	172	-	-	172	100%
Female	10	-	-	10	100%	7	-	-	7	100%
Workers										
Permanent	112	-	-	112	100%	120	-	-	120	100%
Male	112	-	-	112	100%	120	-	-	120	100%
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent	2,518	2,518	100%	-	-	1,878	1,878	100	-	100%
Male	2,410	2,410	100%	-	-	1,774	1,774	100	-	100%
Female	108	108	100%	-	-	104	104	100	-	100%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/salary/wages of respective category (₹ in lakhs)	Number	Median remuneration/salary/wages of respective category (₹ in lakhs)
Board of Directors (BOD)	7	503.60	1	7.49
Key Managerial Personnel (other than BOD)	2	125.57	-	-
Employees (other than BOD and KMP)	7047	4.35	552	5.55
Workers	112	7.44	-	-

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Company has set up ICC and Business Integrity Committee at all the locations. The ICC looks into and addresses sexual harassment-related grievances, if any, while the Business Integrity Committee looks into and addresses grievances or violations of human rights.

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

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

We are committed to provide and maintain a safe and harmonious business environment and workplace for everyone, without any discrimination regarding ethnicity, region, sexual orientation, race, caste, gender, religion, disability, nature of work, designation and other such parameters. We ensure that workplaces are free from violence, harassment, intimidation and/or any other unsafe or disruptive conditions, either due to external or internal threats.

The Company considers human rights as one of its fundamental and core values and strives to support, protect and promote human rights to ensure that fair and ethical business and employment practices are put in place and adhered to by all. It prohibits all forms of slavery, coerced labour, child labour, human trafficking, violence or physical, sexual, psychological or verbal abuse.

The Business Integrity Committee addresses grievances pertaining to violation of human rights, while ICC addresses complaints/grievances specific to sexual harassment. As a matter of policy, Ajanta does not hire any employee or engage with any agent or vendor against their free will.

The Company also has a whistle-blower mechanism in place to enable the employees to raise their concerns, if any unethical or wrong practices are noticed by them, without any fear of reprisal, including dismissal or other disciplinary action.

6. Number of complaints on Sexual Harassment, Discrimination at workplace, Child Labour, Forced Labour/ Involuntary Labour, Wages, Other human rights related issues by employees and workers

Nil.

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

The sexual harassment policy of the Company provides and assures that using the complaint procedure will not result in reprisals, retaliation or coercion. The Company has set up ICC and Business Integrity Committee at all the locations.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, in certain business agreements and contracts where relevant.

9. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	
Forced/involuntary labour	
Sexual harassment	100% of our plants were assessed by statutory authorities. The state regulatory and statutory bodies inspect our plants on periodic basis.
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

In the current year, we haven't received any corrective action directives, as we are compliant with the applicable laws.

LEADERSHIP INDICATORS

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

We haven't received any human rights grievances/complaints in the reporting year. The Company believes that it upholds the basic principles of human rights in all its dealings and sensitises employees on the Code of Conduct through various training programmes.

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

No, the Company has not undertaken any human rights due-diligence. However, protection of human rights is embodied in its policies and it expects all the employees and members of the value chain to abide by the principles mentioned in the policies.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

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

4. Details of assessment of value chain partners:

Not applicable.

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

Not applicable.

Business Responsibility and Sustainability Report

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT.



ESSENTIAL INDICATORS

Reporting Boundary: For our environmental performance, the scope is limited to Corporate Offices, R&D centre, two warehouses and all Plants. The data metrics will be made comprehensive and entail all locations gradually in the years to come.

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023	FY 2022
Total electricity consumption (A)	236111.36	226239.70
Total fuel consumption (B)	64564.54	62229.75
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	300675.90	288469.45
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	8.03	9.89
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

We haven't carried out assessment/evaluation/assurance by any external agency.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable.

3. Provide details of the following disclosures related to water, in the following format

Parameter	FY 2023	FY 2022
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	148798	112830
(iii) Third party water	273962	169299
(iv) Seawater/desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)	422760	282129
Total volume of water consumption (in kilolitres)	422760	282129
Water intensity per rupee of turnover (Water consumed/turnover)KL/₹ Million	11.29	8.02
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water withdrawal by source (in kilolitres)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

We haven't carried out assessment/evaluation/assurance by any external agency.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The Company implements water conservation through reduce, reuse, recharge and recycle approach. As part of continual improvement of our environmental performance as also to reduce consumption of natural resources, we have implemented Zero Liquid Discharge for API unit. Further, two formulation units are getting upgraded towards Zero Liquid Discharge with ongoing project execution work, post which all treated water will be channelised for use in utilities.

5. Please provide details of air emissions (other than GHG emissions) by the entity.

Parameter	Please specify unit	FY 2023	FY 2022
NOx	mg/nm ³	22.1	24.2
SOx	mg/nm ³	24.6	27.1
Particulate matter (PM)	mg/nm ³	27.2	24.2
Persistent organic pollutants (POP)		Not Applicable	Not Applicable
Volatile organic compounds (VOC)		Not Applicable	Not Applicable
Hazardous air pollutants (HAP)		Not Applicable	Not Applicable
Others – please specify		Not Applicable	Not Applicable

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the monitoring has been carried out by MoEF /NABL approved laboratories.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Unit	FY 2023	FY 2022
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	4368.55	4611.22
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	51813.33	46633.15
Total Scope 1 and Scope 2 emissions per rupee of turnover	kg CO ₂ e/₹ Mn	0.0156	0.0017

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

We haven't carried out assessment/evaluation/assurance by any external agency.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes, we have implemented multiple projects for reducing greenhouse gas emissions from our operations.

These include:

- shifting to Piped Natural Gas in place of LDO at Pithampur unit
- sourcing of renewable power through power purchase agreements
- setting up rooftop solar power, ground mounted installations
- condensate recovery system

This has resulted in emission reduction of 58,124 MtCO₂e.

In line with our goal of achieving 50% renewable energy by 2026, we are working towards enhancing the proportion of renewable energy sources and increasing energy efficiency across operational sites. We have installed a 4MW solar plant and further expansion of 8.4MW is under execution.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023	FY 2022
Total Waste generated (in metric tonnes)		
Plastic waste (A)	60.00	80.00
E-waste (B)	0.83	0.20
Bio-medical waste (C)	21.02	12.05
Construction and demolition waste (D)	-	-
Battery waste (E)	4.32	6.68
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any (G)	495.47	458.70
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	1832.18	1921.20
Total (A + B + C + D + E + F + G + H)	2413.82	2478.83

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

Parameter	FY 2023	FY 2022
Category of waste (Hazardous Waste)		
(i) Recycled	70.26	80.00
(ii) Re-used	-	-
(iii) Other recovery operations	121.61	84.17
Total	191.87	164.17
Category of waste (Non-hazardous Waste)		
(i) Recycled	1832.18	1921.20
(ii) Re-used	-	-
(iii) Other recovery operations	60.00	80.00
Total	1892.18	2001.2

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

Category of waste	FY 2023	FY 2022
(i) Incineration	303.60	339.14
(ii) Landfilling	-	-
(iii) Other disposal operations	191.87	-
Total	495.47	339.14

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

We haven't carried out assessment/evaluation/assurance by any external agency.

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

We have implemented a waste management system and SOPs are in place for all sites to ensure safe handling and disposal of waste. The Company complies with EPR requirements, by collection of end-use plastic and enhancing its plastic waste management. The spent solvent generated from our API is recycled through government authorised recycler. Hazardous waste generated from Dahej and Guwahati sites are co-processed. E-waste & non-hazardous waste such as glass bottles, MS/SS scrap and paper waste are sent to authorised recycler.

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

Not Applicable.

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

No assessment has been done in the current financial year.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the Company is compliant with the applicable environmental law/regulations/guidelines in India.

LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, (Giga Joules) in the following format:

Parameter	FY 2023	FY 2022
From renewable sources		
Total electricity consumption (A)	16238.45	13734.21
Total fuel consumption (B)	0	-
Energy consumption through other sources (C)	0	-
Total energy consumed from renewable sources (A+B+C)	16238.45	13734.21
From non-renewable sources		
Total electricity consumption (D)	219873	212505.50
Total fuel consumption (E)	64564.54	62229.75
Energy consumption through other sources (F)	0	-
Total energy consumed from non-renewable sources (D + E + F)	284437.54	274735.25

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Provide the following details related to water discharged:

Parameter	FY 2023	FY 2022
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of Treatment (Through Effluent Treatment Plant with Primary, Secondary and Tertiary treatment) KL	157200	198822
Total water discharged (in kilolitres)	157200	198822

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Not Applicable

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

We are considering this data capturing from the next financial year.

Business Responsibility and Sustainability Report

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

Not Applicable.

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

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative
1	Water Reduction	<ul style="list-style-type: none"> Zero Liquid Discharge for API plant. Recycling treated wastewater through UF, RO system. Leakage identification Audit & corrective measures. Installed condensate recovery system at Guwahati plant. 	Wastewater load reduced by 20% to Effluent Treatment Plant
2	Fuel Substitution	Boiler fuel substitution at Pithampur plant from LDO to Piped Natural Gas	Achieved reduction in CO ₂ emission
3	Centralised monitoring system	<ul style="list-style-type: none"> Online continuous monitoring system for wastewater discharge at all sites. Installed digital flow meters for monitoring of fresh and wastewater discharge across all plants. Reduction in lab chemicals, consumables, accuracy and timely log generation. Alerts and SMS provision for timely corrective measures. 	Zero wastewater discharge
4	Energy Monitoring System	Implemented EMS system at Dahej and Pithampur plants for monitoring of energy data.	Saving of energy
5	ISO 14001 & 45001 certification	Two sites viz., Dahej and Paithan have been recommended for ISO 45001 & 14001	Third party audit for environment and safety system has improved the practices and procedures.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

Yes, Ajanta has a robust Business Continuity and Disaster Management Plan. In addition, the workforce is continuously trained by carrying out mock drills and disaster management exercises for possible emergency situations. This business continuity plan enables the Company to adapt to situations arising from any natural calamity or an unprecedented event which may disrupt the business operations. The Company also has a risk management plan & policy which covers all the critical risks that may disrupt or materially impact the operations and mitigation measures to thwart such risks.

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

Not Applicable.

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

In the reporting period, the Company did not evaluate any of its value chain partners, on the basis of environmental impact.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT.



ESSENTIAL INDICATORS

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

The Company is a member of eight trade and industry chambers/associations.

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

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

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

There was no adverse order from any regulatory authorities which necessitated any such actions.

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain?(yes/no)	Frequency of review by Board (Annually/Half yearly/ Quarterly/ others-please specify)	Web link, if available
NIL					

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT.



ESSENTIAL INDICATORS

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

The Company undertakes its CSR initiatives directly and through various implementation agencies in accordance with the applicable laws. However, the Company does not undertake any social impact assessment.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

NA

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

The Company undertakes community welfare programmes through the NGO partners. These channels of communication facilitate the receipt and redressal of grievances of the community. The Company has also put in place mechanisms for enabling the communities to put forth their grievances directly to the Company and the same are addressed by concerned Company officials.

Business Responsibility and Sustainability Report

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

Particulars	FY 2023	FY 2022
Directly sourced from MSMEs/ small producers	59%	19%
Sourced directly from within the district and neighbouring districts	72%	14%

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

NA

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.

Sr. No.	State	Aspirational District	Amount spent (in ₹)
1.	Maharashtra	Nandurbar	16,65,250/-
2.	Maharashtra	Washim	1,68,20,375/-
3.	Maharashtra	Gadchiroli	35,34,750/-
4.	Maharashtra	Osmanabad	13,79,625/-

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

Yes

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

60%

3. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

No

4. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved

NA

5. Details of beneficiaries of CSR Projects:

Sr. No	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
Health			
1	Cataract & Other camps	67,000+	100%
2	Family Planning	8,900+	
3	Malnutrition	79,200+	
4	Skin, Plastic Surgery & Others	15,000+	
Education			
5	Different Educational Institutions	92,000+	100%
Rural development & other areas			
6	Rural development projects, setting-up of old age homes & reducing inequalities faced by socially and economically backward groups	12,000	100%
Sports Promotion			
7	Training of athletes for Olympic	4	100%
Total		274,100+	

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER.



ESSENTIAL INDICATORS

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

The Company has standard procedures for handling and investigating product quality complaints that are received from various sources such as customers, regulatory agencies, doctors, distributors and suppliers. If any consumer complaint is received w.r.t. quality of product, preliminary assessment of the same is done by the QA team and CAPA is raised. All the complaints are investigated within 30 working days and relevant actions are taken to avoid recurrence. Upon investigation of the complaint, the QA team sends a 'Complaint Reply Form' and waits for 15 working days for any comment (feedback) from the complainant and then proceeds to close the complaint.

Additionally, Ajanta's website (www.ajantapharma.com) has a 'Contact Us' tab followed by 'Enquiry' tab, wherein an individual can register the relevant details including 'product complaint/feedback'. The Company has also provided a dedicated e-mail ID product.complaint@ajantapharma.com to enable consumers and others to send their grievances and feedback.

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

Parameter	As a Percentage of Total turnover
Environment and social parameters relevant to the product	-
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

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

	FY 2023		Remarks	FY 2022		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Not Applicable	-	Nil	Not Applicable	-
Advertising	Nil	Not Applicable	-	Nil	Not Applicable	-
Cyber Security	Nil	Not Applicable	-	Nil	Not Applicable	-
Restrictive Trade Practices	Nil	Not Applicable	-	Nil	Not Applicable	-
Unfair Trade Practices	Nil	Not Applicable	-	Nil	Not Applicable	-
Others: clarification on technology used	Nil	Not Applicable	-	01	0	Resolved
Others: Product related	5	1	-	28	0	Resolved

4. Details of instances of product recalls on account of safety issues:

Parameters	Number	Reasons for recall
Voluntary recalls	Nil	-
Forced Recalls	Nil	-

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

Yes. The Company has in place policies covering aspects of Cyber Security and Information Security to ensure sufficient safeguards to prevent any cyber attack. The policy is aligned with GAMP 5: A risk-based approach to Compliant GxP computerised systems. These data privacy policies are available for the employees on the Company's intranet.

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

No penalties/regulatory actions have been levied or taken on the above-mentioned parameters and there were no instances of product recalls.

LEADERSHIP INDICATORS

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

The Company's website provides information on leading products of the Company in different segments and markets. Detailed information of each of the products is provided on the product leaflets.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The information label attached to each product informs the consumers about pharmacokinetics, instructions for safe use, sourcing of ingredients, composition, mechanism of action, clinical pharmacology, product interactions and side effects, guidance on appropriate storage conditions, among others.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

As per the guidelines of National Pharmaceutical Pricing Authority, the Company discloses discontinuation of any scheduled formulation by issuing a public notice for relevant stakeholders in addition to informing the Government at least six months prior to the intended date of discontinuation.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, product information is displayed on the product as per local laws/ FDA.

- For Drug Category Products – Instruction/Warning/caution is mentioned in red-coloured box
- For Cosmetic Products – Direction for use/indication/Precaution is mentioned
- For Food Licence – Symbolic indication for Veg /Non-veg source is mentioned

Plastic recycling triangle symbol on plastic packing components is mentioned.

We have customer care service for attending customer queries related to products and providing solutions.

5. Provide the following information relating to data breaches: NIL

- A. Number of instances of data breaches along with impact
- B. Percentage of data breaches involving personally identifiable information of customers



Financial Statements



+ 107
Financial Statements
108 Consolidated
176 Standalone

Independent Auditor's Report

To the Members of
Ajanta Pharma Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Ajanta Pharma Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries] together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2023, 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 the other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgement and based on the consideration of reports of other auditors on separate financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accruals for Variable Components in Revenue Recognition

See Note 7.8 of accounting policies and 38 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Group has numerous customers operating in multiple geographies and sales contracts with these customers have distinct terms and conditions relating to the recognition of revenue, the right of return and price adjustments. Contractual arrangements as well as regulatory requirements in various geographies result in adjustments to gross sales price. These adjustments arise from the Group's obligations to customers towards chargebacks, rebates, product recalls, Medicaid, allowances, supply penalties and right of return ("variable consideration"). As stated in Note 38 to the consolidated financial statements, revenue from the sale of goods is measured after adjusting the effects of variable consideration. Adjustments are made with respect to variable components which requires judgement and estimation by the Group.</p> <p>These are based on contractual arrangements, market conditions and accumulated experience. The estimation is based on various factors. These factors include, for example level of competition, market conditions, volume of sales to individual customers etc., some of which are beyond the control of the Group.</p> <p>Accordingly we identified recognition of revenue from sale of products during the year and at the period end and accruals for variable consideration in revenue recognition as a key audit matter.</p>	<ul style="list-style-type: none"> Our audit procedures in respect of accruals for variable components of revenue recognition included the following: <ul style="list-style-type: none"> Assessing the Group's accounting policies for revenue recognition including accounting for variable consideration by comparing with applicable accounting standards Testing the design, implementation and operating effectiveness of the Company's manual and automated controls designed to ensure recognition of valid revenue transactions in the correct period. Testing key internal controls with respect to accrual for variable consideration. These accruals are made using accumulated experience, contractual arrangements, the expected level of chargebacks, rebates and returns for each product, level of Medicaid for sales made in United States and level of supply penalties-based contract fulfilment. Performing substantive testing of selected samples of revenue transactions recorded during the year as well as at year-end. We used statistical sampling and verified contractual terms of sales invoices/contracts, shipping documents and acknowledged delivery receipts for those transactions. Perform substantive procedures to verify period end accruals for adjustment on account of variable consideration. Examining high risk journal entries and other adjustments that contain unusual combinations of credit to revenue with no associated debit to cash, debtors, or another revenue account.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's report's thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/audit report of other auditors, we conclude that there is a material misstatement of this other information, we are

required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other

Independent Auditor's Report

irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as

fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matter(s)

- We did not audit the financial statements/financial information of 4 subsidiaries, whose financial statements / financial information reflect total assets (before consolidation adjustments) of ₹ 279.41 Crore as at 31 March 2023, total revenues (before consolidation adjustments) of ₹ 365.72 Crore and net cash flows (before consolidation adjustments) amounting to ₹ (3.11) Crore for the period ended on that date, as considered in the consolidated financial statements. These financial statements/This financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - On the basis of the written representation received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group Companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

Independent Auditor's Report

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

- a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 57 to the consolidated financial statements.
- b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.
- c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year ended 31 March 2023.
- d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 69 (l) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 69 (l) to the consolidated financial statements, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall directly or indirectly, lend or invest in other persons or

entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e) The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.
- f) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022
Sreeja Marar
Partner
Membership No.: 111410
ICAI UDIN: 23111410BGYAUB3560

Place: Mumbai
Date: 5 May 2023

Annexure A to the Independent Auditor's Report

on the Consolidated Financial Statements of Ajanta Pharma Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

According to the information and explanations given to us and based on our examination, there are no companies included in the consolidated financial statements of the Holding Company which are companies incorporated in India except the Holding Company. The Companies (Auditor's Report) Order, 2020 of the Holding Company did not include any unfavourable answers or qualifications or adverse remarks.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022
Sreeja Marar
Partner
Membership No.: 111410
ICAI UDIN: 23111410BGYAUB3560

Place: Mumbai
Date: 5 May 2023

Annexure B to the Independent Auditor's Report

on the Consolidated Financial Statements of Ajanta Pharma Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of sub-section 3 of Section 143 of the Act

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

Opinion

In conjunction with our audit of the consolidated financial statements of Ajanta Pharma Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company, as of that date.

In our opinion, the Holding Company, has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated 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 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 Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override

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

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

Sreeja Marar
Partner
Membership No.: 111410
ICAI UDIN: 23111410BGYAUB3560

Place: Mumbai
Date: 5 May 2023

Consolidated Balance Sheet

as at 31 March 2023

₹ in Crore			
Particulars	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	8	1,407.83	1,424.31
(b) Capital work-in-progress	8	209.47	152.86
(c) Investment properties	8	-	8.41
(d) Right-of-use assets	8	80.86	70.25
(e) Other intangible assets	8	7.75	9.02
(f) Financial assets			
Investments	9	25.10	25.10
Other financial assets	10	11.09	12.04
(g) Deferred tax assets (net)	11	96.77	55.55
(h) Income tax assets (net)	12	0.83	27.04
(i) Other non-current assets	13	5.32	6.54
Total non-current assets		1,845.02	1,791.12
Current assets			
(a) Inventories	14	815.63	791.07
(b) Financial assets			
Investments	15	510.27	121.86
Trade receivables	16	1,056.90	1,019.81
Cash and cash equivalents	17	329.83	206.36
Bank balances other than cash and cash equivalents	18	1.07	5.43
Loans	19	17.39	6.37
Other financial assets	20	2.48	17.69
(c) Other current assets	21	91.61	95.87
(d) Non-current asset held for sale	22	8.82	-
Total current assets		2,834.00	2,264.46
Total assets		4,679.02	4,055.58
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	23	25.27	17.17
(b) Other Equity	24	3,362.72	3,247.17
Total Equity		3,387.99	3,264.34
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
Borrowings	25	1.25	1.64
Lease liabilities	26	24.95	16.93
Other financial liabilities	27	1.01	1.09
(b) Other Liabilities	28	2.67	3.00
(c) Provisions	29	24.15	19.32
(d) Deferred tax liabilities (net)	30	97.72	101.87
Total non-current liabilities		151.75	143.85
Current liabilities			
(a) Financial liabilities			
Borrowings	31	0.18	0.27
Lease liabilities	32	9.25	6.19
Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	33	37.94	27.98
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	33	384.83	299.19
Other financial liabilities	34	636.84	230.59
(b) Other liabilities	35	23.15	64.42
(c) Provisions	36	14.02	10.81
(d) Income tax liabilities (net)	37	33.07	7.94
Total current liabilities		1,139.28	647.39
Total liabilities		1,291.03	791.24
Total Equity and Liabilities		4,679.02	4,055.58
Significant accounting policies	1 to 7		
The notes referred to above form an integral part of the consolidated financial statements	8 to 69		

As per our report of even date attached
For B S R & Co. LLP

Chartered Accountants
Firm Registration No.: 101248W/W-100022

Sreeja Marar
Partner
Membership No.: 111410

Place: Mumbai
Date: 5 May 2023

For and on behalf of the Board of Directors

Ajanta Pharma Limited
CIN - L24230MH1979PLC022059

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind K. Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang C. Shah
Company Secretary
FCS: 6696

Consolidated Statement of Profit and Loss

for the year ended 31 March 2023

₹ in Crore			
Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from operations	38	3,742.64	3,340.99
Other income	39	98.64	115.68
Total income		3,841.28	3,456.67
Expenses			
Cost of materials consumed	40	878.36	779.34
Purchase of stock-in-trade	41	146.28	136.10
Changes in inventories of finished goods /stock-in-trade /work-in-progress	42	25.76	(83.17)
Employee benefits expense	43	785.14	645.78
Finance costs	44	5.84	10.20
Depreciation and amortisation expense	45	130.80	125.30
Other expenses	46	1,123.85	933.64
Total expenses		3,096.03	2,547.19
Profit before tax		745.25	909.48
Tax expense	68		
- Current tax (net)			
For current year		175.58	217.22
For prior years		21.66	(25.55)
- Deferred tax (net)			
For current year		(39.97)	4.94
For prior years		-	0.19
Total tax expense		157.27	196.79
Profit for the year		587.98	712.68
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of defined benefit liability/(assets)		(3.49)	0.55
Income tax relating to items that will not be reclassified to profit or loss		1.22	(0.19)
Net other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss		(2.27)	0.36
Items that will be reclassified subsequently to profit or loss			
Exchange differences in translating the financial statements of foreign operations		17.12	(8.33)
Income tax relating to items that will be reclassified to profit or loss		-	-
Net other comprehensive (loss)/income to be reclassified subsequently to profit or loss		17.12	(8.33)
Other comprehensive income/(loss) for the year (net of income tax)		14.85	(7.97)
Total comprehensive income for the year		602.83	704.71
Earnings Per Equity Share (Face Value ₹ 2/-)	48		
Basic (₹)		45.89	54.97
Diluted (₹)		45.89	54.96
Significant accounting policies	1 to 7		
The notes referred to above form an integral part of the consolidated financial statements	8 to 69		

As per our report of even date attached
For B S R & Co. LLP

Chartered Accountants
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Sreeja Marar
Partner
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Gaurang C. Shah
Company Secretary
FCS: 6696

Consolidated Statement of Changes in Equity

for the year ended 31 March 2023

A. EQUITY SHARE CAPITAL (REFER NOTE 23)

₹ in Crore

	Balance as at 1 April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31 March 2023
Authorised	30.00	-	30.00	-	30.00
Issued, Subscribed & Paid up	17.17	-	17.17	8.10	25.27

₹ in Crore

	Balance as at 1 April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31 March 2022
Authorised	30.00	-	30.00	-	30.00
Issued, Subscribed & Paid up	17.39	-	17.39	(0.22)	17.17

B. OTHER EQUITY (REFER NOTE 24)

₹ in Crore

Particulars	Reserves & Surplus					Other Comprehensive Income				
	Capital Redemption Reserve	Securities Premium	General Reserve	Employee Stock Options Outstanding Account	Retained Earnings	Foreign Currency Translation Reserve	Other items (Re-measurement gains (losses) on defined benefit plans)	Total	Non-Controlling Interests	Total Equity
As at 1 April 2021	2.40	-	816.83	0.54	2,155.73	9.20	(6.46)	2,978.24	-	2,978.24
Changes in accounting policy/ prior period errors								-		-
Restated balance as at 1 April 2021	2.40	-	816.83	0.54	2,155.73	9.20	(6.46)	2,978.24	-	2,978.24
Profit for the period	-	-	-	-	712.68	-	-	712.68	-	712.68
Other comprehensive income	-	-	-	-	-	(8.33)	0.36	(7.97)	-	(7.97)
Total comprehensive income	-	-	-	-	712.68	(8.33)	0.36	704.71	-	704.71
Exercise of Stock Options	-	-	-	0.30	-	-	-	0.30	-	0.30
Utilised for buy-back of Equity Shares (refer note 23.8)	-	(0.54)	(285.06)	-	-	-	-	(285.60)	-	(285.60)
Expense & Tax on buyback of equity shares (refer note 23.8)	-	-	-	-	(68.50)	-	-	(68.50)	-	(68.50)
Transfer to Capital Redemption Reserve for buyback of Equity Shares (refer note 23.8)	0.23	-	(0.00)	-	-	-	-	0.23	-	0.23
Exercised Stock Options	-	0.54	-	-	-	-	-	0.54	-	0.54
Share-based payment expenses	-	-	-	(0.54)	-	-	-	(0.54)	-	(0.54)
Dividend Paid	-	-	-	-	(82.21)	-	-	(82.21)	-	(82.21)
Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-
As at 31 March 2022	2.63	-	531.77	0.30	2,717.70	0.88	(6.10)	3,247.17	-	3,247.17
Restated balance as at 1 April 2022	2.63	-	531.77	0.30	2,717.70	0.88	(6.10)	3,247.17	-	3,247.17
Profit for the period	-	-	-	-	587.98	-	-	587.98	-	587.98
Other comprehensive income (net of tax)	-	-	-	-	-	17.12	(2.27)	14.85	-	14.85
Total comprehensive income	-	-	-	-	587.98	17.12	(2.27)	602.83	-	602.83
Exercise of Stock Options	-	-	-	0.22	-	-	-	0.22	-	0.22
Utilised for buy-back of Equity Shares (refer note 23.8)	-	(0.18)	(320.73)	-	-	-	-	(320.91)	-	(320.91)

Consolidated Statement of Changes in Equity

for the year ended 31 March 2023

₹ in Crore

Particulars	Reserves & Surplus					Other Comprehensive Income				
	Capital Redemption Reserve	Securities Premium	General Reserve	Employee Stock Options Outstanding Account	Retained Earnings	Foreign Currency Translation Reserve	Other items (Re-measurement gains (losses) on defined benefit plans)	Total	Non-Controlling Interests	Total Equity
Expense & Tax on buyback of equity shares (refer note 23.8)	-	-	-	-	(74.72)	-	-	(74.72)	-	(74.72)
Transfer to Capital Redemption Reserve for buyback of Equity Shares (refer note 23.8)	(2.19)	-	-	-	-	-	-	(2.19)	-	(2.19)
Exercised Stock Options	-	0.18	-	-	-	-	-	0.18	-	0.18
Share-based payment expenses	-	-	-	(0.18)	-	-	-	(0.18)	-	(0.18)
Dividend Paid	-	-	-	-	(89.69)	-	-	(89.69)	-	(89.69)
As at 31 March 2023	0.44	-	211.04	0.34	3,141.27	18.00	(8.37)	3,362.72	-	3,362.72

a) Capital Redemption Reserve

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

b) Securities Premium

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

c) General Reserve

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

d) Employee Stock Option Outstanding

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

e) Retained Earnings

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

f) Foreign Currency Translation Reserve

This reserve represents exchange differences arising on account of conversion of foreign operations to Company's functional currency.

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
Firm Registration No.: 101248W/W-100022

Sreeja Marar
Partner
Membership No.: 111410

Place: Mumbai
Date: 5 May 2023

For and on behalf of the Board of Directors

Ajanta Pharma Limited
CIN - L24230MH1979PLC022059

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Arvind K. Agrawal
Chief Financial Officer

Gaurang C. Shah
Company Secretary
FCS: 6696

Consolidated Statement of Cash Flow

for the year ended 31 March 2023

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
A. Cash flow from operating activities		
Profit before tax	745.25	909.48
Adjustment for		
Depreciation and amortisation expense	130.80	125.30
Loss on sale/retirement of property, plant and equipment (net)	6.19	3.87
Finance costs	5.84	10.20
Loss/(Gain) on fair value of investment	2.30	(9.21)
Loss/(Gain) on fair value of derivative	18.82	(17.09)
Income from investments and deposits	(17.64)	(4.08)
Deferred Government grant	(0.33)	(0.33)
Equity settled share-based payment	0.22	0.30
Unrealised Foreign exchange (Gain)	(14.08)	(21.19)
Impairment loss on financial assets	(0.82)	3.98
Operating cash flow before working capital changes	876.55	1,001.24
Changes in working capital		
(Increase) in trade receivables	(10.55)	(269.68)
Decrease in other current assets	6.93	26.36
Decrease in other current financial assets	32.33	17.56
Decrease in other non-current financial assets	0.96	4.33
Decrease in non-current financial assets	0.27	0.46
(Increase) in inventories	(22.37)	(25.66)
(Increase)/Decrease in current loans	(11.02)	1.66
(Decrease) in other non-current financial liabilities	(0.08)	(0.16)
(Decrease)/Increase in other current liabilities	(44.01)	35.32
Increase in other current financial liabilities	11.38	56.59
Increase in non-current provisions	4.83	1.39
Increase/(decrease) in current provisions	0.94	(0.54)
Increase/(Decrease) in trade payables	96.91	(48.02)
Cash generated from operating activities	943.07	800.84
Net income tax paid	(151.29)	(239.13)
Net cash generated from operating activities	791.78	561.71
B. Cash flow from investing activities		
Capital expenditure on property, plant and equipment including capital advances	(174.49)	(148.84)
Non-Current assets classified as held for sale (Refer Note 67)	(8.82)	-
Proceeds from sale of property, plant and equipment	9.55	18.38
Bank balances not considered as cash and cash equivalents	4.35	26.68
Purchase of current investments	(1,666.86)	(1,037.87)
Proceeds from sale of current investments	1,276.15	1,091.65
Income on investments and deposits	0.52	0.90
Sale of non-current investments/Investment in LLP	-	(25.00)
Net cash used in investing activities	(559.60)	(74.10)

Consolidated Statement of Cash Flow

for the year ended 31 March 2023

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
C. Cash flow from financing activities		
(Repayment)/Proceeds of borrowings (net)	(0.49)	0.23
Interest paid	(2.33)	(7.35)
Repayment of lease liability (includes interest of ₹ 3.51 Crore in current year and ₹ 2.85 Crore in previous year)	(14.25)	(16.60)
Deferred Government grant	0.33	0.33
(Payment) for buyback of equity shares (Refer Note 23.8)	-	(285.59)
Income/(Payment) for expenses for buyback of equity shares (Refer Note 23.8)	(1.44)	(68.52)
Dividend paid	(89.69)	(82.21)
Net cash used in financing activities	(107.87)	(459.71)
Net (decrease)/increase in cash and cash equivalents (A + B + C)	124.31	27.90
Cash and cash equivalents as at the beginning of the year	206.36	177.51
Cash and cash equivalents as at the end of the year	330.67	205.41
Reconciliation of cash and cash equivalents with the Balance sheet		
Cash and cash equivalents as restated as at the end of the year	330.67	205.41
Unrealised (loss)/gain on foreign currency cash and cash equivalents	(0.84)	0.95
Cash and cash equivalents as per balance sheet (refer note 17)	329.83	206.36

Figures in brackets indicates outflow.

Notes:

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

Particulars	Notes	As at 31 March 2022	Cash Flows	Non-cash changes			As at 31 March 2023
				Acquisition	Foreign exchange movement	Fair value change	
Borrowing	25 & 31	1.91	(0.49)	-	-	-	1.43

- During the year the Group paid ₹ 16.37 (31 March 2022 ₹ 13.13) towards corporate social responsibility (CSR) expenditure included in corporate social responsibility expenditure Refer note 59)

Significant accounting policies

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

As per our report of even date attached For B S R & Co. LLP

Chartered Accountants
Firm Registration No.: 101248W/W-100022

Sreeja Marar
Partner
Membership No.: 111410

Place: Mumbai
Date: 5 May 2023

For and on behalf of the Board of Directors

Ajanta Pharma Limited
CIN - L24230MH1979PLC022059

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind K. Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang C. Shah
Company Secretary
FCS: 6696

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

1. CORPORATE INFORMATION

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

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

2. BASIS OF PREPARATION

Statement of Compliance

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

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

These Consolidated Financial Statements for the year ended 31 March 2023 have been reviewed by the Audit Committee and subsequently approved by Company's Board of Directors at its meeting held on 5 May 2023.

Use of estimates and judgements:

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

The areas involving estimates or judgements are as follows:

Property, plant and equipment:

Useful lives of tangible assets are based on useful lives/rates prescribed by the GAAPs of the respective countries. Assumptions also need to be made, when

the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

Recognition and measurement of defined benefit obligations:

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

Intangible Assets

Intangible assets majorly consist software licences which are amortised over licence period which equates the economic useful life ranging between 2-5 years on a straight-line basis over the period of its economic useful life.

Allowance for uncollected accounts receivable and advances

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

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

Allowances for inventories

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

Management also reviews net realisable value for all its inventory and is satisfied that adequate allowance has been made in the financial statements.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

Contingencies

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

Impairment reviews

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

Determination of functional currency

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

3. PRINCIPLES OF CONSOLIDATION

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

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

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and

when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

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

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

Consolidation procedure

(i) Subsidiaries

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

(ii) Non-controlling interests (NCI)

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

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity. NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

(iii) Loss of control

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

(iv) Transaction's eliminated on consolidation

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

4. FUNCTIONAL AND PRESENTATION CURRENCY:

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

Initial recognition

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

Conversion

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

Group companies

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

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

5. ROUNDING OF AMOUNTS

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

6. CURRENT/NON-CURRENT CLASSIFICATION

An entity shall classify an asset as current when-

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

An entity shall classify a liability as current when-

- it expects to settle the liability in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

An entity shall classify all other liabilities as non-current

Operating Cycle

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

Based on the nature of products/activities of the group and the normal time between acquisition of assets and

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

their realisation in cash or cash equivalents, the group has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

7. SIGNIFICANT ACCOUNTING POLICIES

7.1 Property, plant and equipment

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

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

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

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

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

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

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

Depreciation for Holding Company

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

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

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

Depreciation for Subsidiaries

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

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

7.2 Intangible Assets

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

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. Internally generated intangibles, excluding development costs as defined in Ind AS, are not capitalised and the related

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expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred.

Software is amortised over their estimated useful life on straight-line basis from the date they are available for intended use or the period of the license as applicable, subject to impairment test.

The amortisation period and the amortisation method for an intangible 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.

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

Research and Development

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

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

Investment Property

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

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

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

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

The fair value of investment property is disclosed in the notes. Fair value is determined on the basis of valuation done by registered valuer.

Impairment on non-financial assets

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

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

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

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

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

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

- i) An intangible asset that is not yet available for use; and
- ii) An intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

Non-current assets held for sale

Assets are classified as held for sale and stated at the lower of carrying amount and fair value less costs to sell if the asset is available for immediate sale and its sale is highly probable. Such assets or group of assets

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are presented separately in the Balance Sheet as "Assets Classified as Held for Sale". Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

7.3 Financial Instruments

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

Financial Assets

Classification

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

Initial recognition and measurement

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

Subsequent measurement

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

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

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

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

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

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

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

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

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

Investment in Equity Instruments

Equity instruments which are held for trading are classified as at FVTPL. Fair value changes on the instrument, excluding dividends, are recognised in profit or loss.

Investment in Debt Instruments

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

Derecognition of Financial Assets

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

Impairment of Financial Assets

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

Financial Liabilities

Classification

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

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Initial recognition and measurement

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

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

Subsequent measurement

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition of Financial Liabilities

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

Derivative Financial Instrument

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

7.4 Inventories

Raw materials and packing materials are valued at lower of cost (on moving weighted average basis) and net realisable value, cost of which includes duties and taxes (net off CENVAT and Goods and Service Tax, wherever applicable). Cost of imported raw materials and packing materials lying in bonded warehouse

includes the amount of customs duty/Goods and Services Tax. Finished products including traded goods and work-in-progress are valued at lower of cost and net realisable value.

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

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

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

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

Consumables and other materials procured for R&D purpose are charged off when acquired.

7.5 Cash and Cash Equivalents

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

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

7.6 Cash Flow Statement

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

7.7 Foreign Currency Transactions

In case of foreign operations whose functional currency is different from the parent company's functional currency, the assets and liabilities of such foreign operations, The income and expenses of such foreign operations are

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

7.8 Revenue Recognition

Sale of Goods

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

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

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

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

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

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

Interest income

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

Dividend income

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

Income from Export Benefits and Other Incentives

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

received. Export benefit receivables are carried at net realisable value.

7.9 Employee Benefits

In case of Holding Company

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

(i) Defined Benefit Plans

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

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

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

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

(ii) Defined Contribution Plans

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

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further

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payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Compensated Absences

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

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

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

(iv) Share-Based Compensation

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

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

In case of Subsidiary at Mauritius

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

In case of Subsidiary at Philippines

Short-term benefits

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

Post-employment benefits

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

Compensated Absences

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

In case of Subsidiary at USA

Short-term benefits

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

Post-employment benefits

The Company provides a 401(k) retirement programme for full-time employees who are 21 years of age or older. Eligible employees are entitled to participate in the Company offered plan with an option to contribute up to maximum 3% of annual base salary. For employees with an annual base salary above the annual compensation limits, as determined by the Federal Internal Revenue

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Service (Federal), the annual APU contribution will be capped at 3% of the Federal allowed annual compensation limits. All contributions are 100% vested immediately to the employee.

7.10 Borrowing Costs

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

7.11 Leases

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

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

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

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the

commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

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

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

In respect of assets given on operating lease, lease rentals are accounted in the statement of Profit and Loss, on accrual basis in accordance with the respective lease agreements.

7.12 Government Grants

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

- In case of capital grants, they are then recognised in Statement of Profit and Loss as other income on a systematic basis over the useful life of the asset.

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- In case of grants that compensate the Company for expenses incurred are recognised in Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognised.

7.13 Earnings Per Share

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

7.14 Income Taxes

Income tax expense comprises current and deferred income tax.

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

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

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

Deferred income tax assets and liabilities are measured using respective Country's tax rates and tax laws that

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

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

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

7.15 Dividends to Shareholders

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

7.16 Provisions, Contingent Liabilities, Contingent Assets and Commitments

General

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

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

If there is any expectation that some or all of the provision will be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is

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virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any virtually certain reimbursement.

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

Contingent liability is disclosed in the case of:

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

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

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

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

7.17 Fair value measurement

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

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

- Derivative financial instruments (mainly forward currency contracts) are measured at fair value received from Bank.
- Mutual Funds are measured at fair values as per Net Asset Value (NAV).
- Employee Stock Option Plan (ESOP) at fair values as per Black Scholes option pricing model.

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

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

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

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

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

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

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

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

7.18 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it

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can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a revised definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

The Company will evaluate these amendments to give effect as required by law.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

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

8.1 Current Year

₹ in Crore

Particulars	Gross Block (Cost or Deemed cost)				Accumulated Depreciation/amortisation					Net Block	
	As at 1 April 2022	Exchange Difference	Additions	Disposals	As at 31 March 2023	As at 1 April 2022	Exchange Difference	For the Year	Disposals	As at 31 March 2023	As at 31 March 2023
(A) Property, plant and equipment											
Freehold land	157.50	0.16	-	-	157.66	-	-	-	-	-	157.66
Leasehold improvement	1.09	0.04	-	1.13	0.00	0.75	0.03	0.00	0.78	0.00	0.00
Buildings	587.02	0.40	18.87	0.63	605.66	136.73	0.15	16.37	0.12	153.13	452.53
Plant and equipments	1,172.59	0.64	70.84	20.81	1,223.26	410.29	0.42	85.64	14.63	481.72	741.54
Furniture and fixtures	87.12	0.21	6.44	1.40	92.37	51.37	0.16	5.54	1.12	55.95	36.42
Vehicles	11.88	0.33	-	0.75	11.46	9.19	0.27	0.94	0.70	9.70	1.76
Office equipments	27.71	0.16	2.39	3.61	26.65	20.39	0.15	2.29	3.36	19.47	7.18
Computers	28.25	0.00	6.94	1.01	34.18	20.13	0.00	4.17	0.86	23.44	10.74
Total	2,073.16	1.94	105.48	29.34	2,151.25	648.85	1.18	114.95	21.57	743.41	1,407.83
(B) Other intangible assets											
Computer Software	28.88	0.42	2.58	-	31.88	19.86	0.17	4.10	-	24.13	7.75
Total	28.88	0.42	2.58	-	31.88	19.86	0.17	4.10	-	24.13	7.75
Total (A + B)	2,102.04	2.36	* 108.05	29.34	2,183.13	668.71	1.35	119.05	21.57	767.55	1,415.58
(C) Capital work-in-progress #	152.86	-	164.08	107.47	209.47	-	-	-	-	-	209.47
(D) Investment properties **	10.93	-	-	10.93	-	2.52	-	0.49	3.01	(0.00)	0.00
Total (A) + (B) + (C) + (D)											1,625.05

* Addition includes ₹ 18.20 Crore used for Research and Development.

** Investment property classified as held for sale (refer notes 22 & 67)

Capital Work-in-Progress ageing schedule

Particulars	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (*)	97.81	51.86	29.37	30.43	209.47

* Project execution plans are assessed on an annual basis and all the projects are executed as per rolling annual plan.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

8.2 Previous Year

₹ in Crore

Particulars	Gross Block (Cost or Deemed cost)				Accumulated Depreciation/amortisation						Net Block
	As at 1 April 2021	Exchange Difference	Additions	Disposals	As at 31 March 2022	As at 1 April 2021	Exchange Difference	For the Year	Disposals	As at 31 March 2022	As at 31 March 2022
(A) Property, plant and equipment											
Freehold land	155.70	-	1.80	-	157.50	-	-	-	-	-	157.50
Leasehold improvement	1.09	-	-	-	1.09	0.75	-	0.00	-	0.75	0.34
Buildings	567.58	-	19.44	-	587.02	120.61	-	16.13	-	136.73	450.29
Plant and equipments	1,105.64	-	79.73	12.79	1,172.59	339.45	-	79.35	8.50	410.29	762.30
Furniture and fixtures	85.92	-	2.90	1.70	87.12	47.41	-	5.43	1.47	51.37	35.75
Vehicles	12.09	-	0.38	0.59	11.88	8.50	-	1.19	0.51	9.19	2.69
Office equipments	25.92	-	2.06	0.28	27.71	17.82	-	2.75	0.16	20.39	7.32
Computers	30.13	-	3.08	4.96	28.25	20.77	-	4.07	4.71	20.13	8.12
Total (A)	1,984.08	-	109.39	20.32	2,073.16	555.31	-	108.92	15.35	648.85	1,424.31
(B) Other intangible assets											
Computer Software	26.82	-	2.06	-	28.88	15.92	-	3.94	-	19.86	9.02
Total (B)	26.82	-	2.06	-	28.88	15.92	-	3.94	-	19.86	9.02
Total (A + B)	2,010.90	-	* 111.45	20.32	2,102.04	571.23	-	112.86	15.35	668.71	1,433.33
(C) Capital work-in-progress #	108.19	-	154.97	110.30	152.86	-	-	-	-	-	152.86
(D) Investment properties	10.93	-	-	-	10.93	2.03	-	0.49	-	2.52	8.41
Total (A) + (B) + (C) + (D)											1,594.60

* Addition includes ₹ 12.19 Crore used for Research and Development.

Capital Work-in-Progress ageing schedule

Particulars	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (*)	91.75	30.66	4.06	26.39	152.86

* Project execution plans are assessed on an annual basis and all the projects are executed as per rolling annual plan.

8. RIGHT-OF-USE ASSETS (REFER NOTE 56)

8.3 Current Year

Particulars	Gross Block (Cost or Deemed cost)				Accumulated Depreciation/Amortisation						Net block
	As at 1 April 2022	Exchange Difference	Additions	Disposals	As at 31 March 2023	As at 1 April 2022	Exchange Difference	For the Year	Disposals	As at 31 March 2023	As at 31 March 2023
Leasehold land	62.59	-	-	-	62.59	1.87	-	0.95	-	2.82	59.77
Leasehold properties	42.23	0.61	21.82	27.55	37.11	32.70	0.48	10.32	27.48	16.02	21.09
Total	104.82	0.61	21.82	27.55	99.70	34.57	0.48	11.27	27.48	18.84	80.86

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

8.4 Previous Year

Particulars	Gross Block (Cost or Deemed cost)				Accumulated Depreciation/Amortisation						Net Block
	As at 1 April 2021	Exchange Difference	Additions	Disposals	As at 31 March 2022	As at 1 April 2021	Exchange Difference	For the Year	Disposals	As at 31 March 2022	As at 31 March 2022
Leasehold land	79.55	-	1.56	18.52	62.59	2.13	-	0.98	1.24	1.87	60.72
Leasehold properties	37.86	-	5.65	1.28	42.23	22.99	-	10.98	1.27	32.70	9.53
Total	117.41	-	7.21	19.80	104.82	25.13	-	11.96	2.51	34.57	70.25

9. INVESTMENTS (NON-CURRENT)

₹ in Crore

Particulars	As at 31 March 2023	As at 31 March 2022
Long-term trade investments		
Unquoted investments in Joint Venture		
Turkenderman Ajanta Pharma Ltd. (Refer Note below #)		
2,00,000 (31 March 2022 2,00,000) Shares of USD 10 each fully paid-up	-	-
In Membership Share in LLP (at Fair Value through Profit or Loss)		
ABCD Technologies LLP, India (Percentage share 4.03%)	25.10	25.10
In others at fair value		
OPGS Power Gujarat Private Limited		
1,95,000 (31 March 2022 1,95,000) Shares of ₹ 0.19 each	0.00	0.00
Total	25.10	25.10
#Note: The Company has made full provision for investment in Turkenderman Ajanta Pharma Limited in Year 2014-15 and carrying value of investment is considered Nil.		
Aggregate value of unquoted investments	32.05	32.05
Aggregate value of unquoted investments (net of impairment)	25.10	25.10
Aggregate market value of quoted investments	-	-
Aggregate amount of impairment in value of non-current investment	6.95	6.95
*Figures in Brackets are for Previous Years		

10. OTHER NON-CURRENT FINANCIAL ASSETS

₹ in Crore

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good unless otherwise stated		
Security deposits	6.24	6.16
Financial asset at amortised cost	3.90	4.32
In deposit accounts with banks with maturity of more than 12 months from the balance sheet date		
- Under lien	0.84	1.46
Interest accrued on fixed deposits with banks	0.11	0.10
Total	11.09	12.04

11. DEFERRED TAX ASSETS (NET)

₹ in Crore

Particulars	As at 31 March 2023	As at 31 March 2022
Others	96.77	55.55
Total	96.77	55.55

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

12. NON-CURRENT TAX ASSETS (NET)

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Income tax paid (net provision ₹ 122.40 Crore (31 March 2022 ₹ 196.72 Crore))	0.83	27.04
	0.83	27.04

13. OTHER NON-CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Capital advances	4.77	5.72
VAT receivable	0.03	0.30
Octroi refund receivable	0.52	0.52
	5.32	6.54

14. INVENTORIES

(At lower of cost and net realisable value)

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Raw materials	264.40	240.05
Packing materials	51.71	49.39
Work-in-progress	52.46	46.50
Finished goods (including in transit ₹ 90.05 Crore, 31 March 2022 ₹ 82.79 Crore)	278.69	262.82
Stock-in-trade (including in transit ₹ 6.07 Crore, 31 March 2022 ₹ 1.69 Crore)	168.37	192.29
	815.63	791.07

During the year, the group recorded inventory write downs of ₹ 5.64 Crore (31 March 2022 ₹ 11.96 Crore). These adjustments were included in cost of material consumed and changes in inventories.

15. CURRENT INVESTMENTS

Investment at fair value through statement of Profit or Loss

Particulars	Face Value ₹	No. of Units*	₹ in Crore	
			As at 31 March 2023	As at 31 March 2022
Investment in mutual funds (quoted)				
UTI Liquid Cash Plan Direct Growth	10	53,314	19.67	-
		(-)		
NIPPON INDIA LIQUID FUND – DIRECT PLAN GROWTH PLAN	10	91,011	50.13	-
		(-)		
TATA LIQUID FUND – DIRECT GROWTH PLAN	10	141,258	50.17	-
		(-)		
Mirae Asset Cash Management Fund – Direct Plan Growth	10	223,594	53.14	-
		(-)		
TRUSTMF Money Market Fund Direct Plan Growth	10	49,998	5.21	-
		(-)		
			178.32	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

Particulars	Face Value ₹	No. of Units*	₹ in Crore	
			As at 31 March 2023	As at 31 March 2022
Investments in Non-Convertible Debentures (Quoted)				
Navi Finserv Limited 9.1792 LOA 05Ap23 FVRS10LAC	1,000,000	261	26.10	-
		(-)		
Navi Finserv Limited 9.15 NCD 10MY23 FVRS10LAC	1,000,000	100	9.99	-
		(-)		
11.70% Svatanttra Micro Finance 2023	1,000,000	50	5.08	-
		(-)		
11.55% CLIX Capital Services Private Ltd. 25 May 2023	1,000,000	50	5.01	-
		(-)		
			46.18	-
Investments in Market linked Non-Convertible Debentures (Quoted)				
SK Finance Limited BR NCD 26MY24 FVRS10 LAC	1,000,000	250	26.43	-
		(-)		
0.00% Piramal Enterprises Limited 2024 (NC MLD)	1,000,000	70	7.20	-
		(-)		
Vivriti Capital Pvt. Ltd. Vivcap 0 04/05/24	1,000,000	50	5.33	-
		(-)		
Incred Fin Services Ltd. Vilfin 0 04/22/24	1,000,000	50	5.79	-
		(-)		
0% Muthoot Microfin Limited 27Jan2024	1,000,000	500	53.30	-
		(-)		
9.45% Ugro Capital Ltd. BR NCD 23JAN24 FVRS10LAC	1,000,000	150.00	15.82	-
		(-)		
Krazybee Services Private Ltd. SR 2 BR NCD 28JN24	1,000,000	100	10.46	-
		(-)		
Muthoot Capital Services Limited ML NCD	1,000,000	150	15.09	-
		(-)		
Fullerton India Credit Co. Ltd. SR 4 BR NCD 24JN25	1,000,000	2,194	22.14	-
		(-)		
Shriram Transport Finance Company Limited SR PPML Y-01 BR NCD 02DC22 FVRS10Lac	1,000,000	-	-	11.49
		(100)		
Muthoot Fincorp Limited SR VI BR NCD 04AP23 FVRS10LAC	1,000,000	-	-	33.08
		(300)		
Shriram Transport Finance Company Limited SR PPML Y 02 BR NCD 27AP23 FVRS10Lac	1,000,000	-	-	16.72
		(150)		
Muthoot Fincorp Ltd. SR VIII BR NCD 22MR23 FVRS10LA	1,000,000	-	-	5.51
		(50)		
Shriram City Union Finance Ltd. SR XXIII TR1 BR NCD 17MY23 FVRS10 Lakh	1,000,000	-	-	13.15
		(120)		
Shriram Transport Fin. Co. Ltd. NCD 18NV23 FVRS10 Lakh	1,000,000	-	-	16.54
		(150)		
Muthoot Fincorp Ltd. SR VII BR NCD 16MR24 FVRS10 Lakh	1,000,000	-	-	25.37
		(230)		
			161.56	121.86

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

₹ in Crore

Particulars	Face Value ₹	No. of Units*	As at 31 March 2023	As at 31 March 2022
Investments in Commercial Paper (Unquoted)				
Clix Capital Services Private Ltd. 142D CP 05AP23	500,000	311	14.98	-
		(-)		
NUVAMA WEALTH MANAGEMENT LIMITED(Commercial Paper)	500,000	1,000	49.58	-
		(-)		
NUVAMA WEALTH & INVESTMENT LTD. CP	500,000	800	39.74	-
		(-)		
Time Technoplast Limited – Commercial Paper	500,000	400	19.91	-
		(-)		
			124.21	-
			510.27	121.86
Aggregate book value of quoted investments			386.06	121.86
Aggregate market value of quoted investments			386.06	121.86
Aggregate value of unquoted investments (net of impairment)			124.21	-
Aggregate amount of impairment in value of investments			-	-

* Figures in Brackets are for 31 March 2022

16. TRADE RECEIVABLES

₹ in Crore

Particulars	As at 31 March 2023	As at 31 March 2022
(Unsecured, considered good unless otherwise stated)		
Trade receivables considered good	1,056.90	1,019.81
Trade receivables which have significant increase in credit risk	2.82	3.12
Trade receivables credit impaired	8.22	11.62
Trade Receivables	1,067.94	1,034.55
Less: Loss allowance	(11.04)	(14.74)
Total Receivables	1,056.90	1,019.81
Break-up of Security Details		
(i) Trade receivables considered good – Secured	-	-
(ii) Trade receivables considered good – Unsecured	1,056.90	1,019.81
(iii) Trade receivables which have significant increase in Credit Risk	2.82	3.12
(iv) Trade receivables – credit impaired	8.22	11.62
Total	1,067.94	1,034.55
Loss Allowance	(11.04)	(14.74)
Total Trade Receivables	1,056.90	1,019.81

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

Ageing Schedule for trade receivables as on 31 March 2023

₹ in Crore

Particulars	Outstanding for following period from due date of payment						Total
	Not due	< 6 months	6-12 months	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	942.48	98.04	13.98	2.40	-	-	1,056.90
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	0.80	0.59	6.50	0.06	0.27	8.22
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	2.82	2.82
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	942.48	98.84	14.57	8.90	0.06	3.09	1,067.94
Less: Loss Allowance							(11.04)
Total Trade Receivable							1,056.90

Ageing Schedule for trade receivables as on 31 March 2022

₹ in Crore

Particulars	Outstanding for following period from due date of payment						Total
	Not due	< 6 months	6-12 months	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	906.76	99.92	11.11	2.01	-	-	1,019.81
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	7.24	0.64	3.01	0.05	0.68	11.62
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	3.12	3.12
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	906.76	107.16	11.75	5.02	0.05	3.80	1,034.55
Less: Loss Allowance							(14.74)
Total Trade Receivable							1,019.81

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

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

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

17. CASH AND CASH EQUIVALENTS

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents (as per Ind AS-7 - "Statement of cash flows")		
Bank balances		
- In current accounts	98.16	89.20
- In EEFC Accounts	185.16	117.13
In Deposit Accounts (with original maturity of 3 months or less)		
- Under Lien	46.50	-
Cash on Hand	0.01	0.03
	329.83	206.36

18. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Earmarked balances with banks		
- Unpaid dividend	0.82	0.91
Unpaid Sale Proceeds of Fractional Shares (31 March 2023 ₹ 25,289, 31 March 2022 ₹ Nil)	0.00	-
In Deposit Accounts (original maturity of more than 3 months but expected to mature within 12 months from the Balance Sheet date)		
- Under lien	0.25	4.51
- Others	-	-
	1.07	5.43

19. LOANS

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
(Unsecured, considered good unless otherwise stated)		
Advances to employees	15.31	3.70
Loan to employees	2.08	2.67
	17.39	6.37

20. OTHER CURRENT FINANCIAL ASSETS

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Interest receivable	2.48	0.58
Insurance receivable	-	0.01
Forward exchange contracts used for hedging	-	17.10
	2.48	17.69

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

21. OTHER CURRENT ASSETS

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Advances other than capital advances		
Advances to vendors		
- considered good	26.88	24.51
Prepaid expenses	16.44	15.58
Other advances recoverable	4.85	10.32
Balance with Statutory/Govt. Authorities		
- GST receivable	40.27	43.94
Export benefits receivable	3.17	1.51
	91.61	95.87

22. ASSET HELD FOR SALE (REFER NOTE 67)

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Investment Properties	7.92	-
Property, Plant & Equipment	0.90	-
	8.82	-

23. EQUITY SHARE CAPITAL

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of Shares	₹ in Crore	Number of Shares	₹ in Crore
Authorised				
Equity shares of ₹ 2 each	150,000,000	30.00	150,000,000	30.00
Issued, subscribed and paid-up:				
Issued, subscribed and fully paid up Equity shares of ₹ 2 each	125,914,655	25.18	85,415,770	17.08
Add: Share Forfeited (on account of Buyback)	766,500	0.09	766,500	0.09
Total	126,681,155	25.27	86,182,270	17.17

23.1 Movements in equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of Shares	₹ in Crore	Number of Shares	₹ in Crore
Equity shares outstanding as at the beginning of the year	85,415,770	17.08	86,531,770	17.30
Add: Equity shares allotted during the year against option's exercised under Employee Stock Option Plan/Scheme (ESOP)	1,000	0.00*	4,000	0.00#
Add: Equity shares allotted during the year as Bonus*	42,707,885	8.54	-	-
Add: Equity shares allotted during the year as Bonus on ESOP (31 March 2023 500, 31 March 2022 Nil)	500	0.00**	-	-
Less: Equity shares extinguished on buy back (Refer note 23.8)	(2,210,500)	(0.44)	(1,120,000)	(0.22)
Equity shares outstanding as at the end of the year	125,914,655	25.18	85,415,770	17.08

* ₹ 2,000 # ₹ 8,000 ** ₹ 1,000

@ The Company has allotted the bonus shares at 1:2 ratio in its Board Meeting held on 24 June 2022. Accordingly, the number of shares increased from 8,54,16,770 to 12,81,25,155. The paid-up capital on account of Bonus issue of ₹ 2.62 Crore has been appropriated from Capital Redemption Reserve, ₹ 0.18 Crore has been appropriated from Securities Premium and ₹ 5.73 Crore has been appropriated from General Reserve.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

23.2 Rights attached to Equity shares

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

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

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Interim and final equity dividend were declared and paid for FY 2021-22 at ₹ 9.50 per equity share	-	82.21
Interim and final equity dividend were declared and paid for FY 2022-23 at ₹ 7 per equity share	89.69	-
Total	89.69	82.21

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

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

23.3 Details of shareholders holding more than 5% Equity shares

Name of Shareholders	As at 31 March 2023		As at 31 March 2022	
	Number of Shares	% holding	Number of Shares	% holding
Yogesh M. Agrawal, Trustee Yogesh Agrawal Trust	18,233,038	14.48	12,380,262	14.49
Rajesh M. Agrawal, Trustee Rajesh Agrawal Trust	18,233,039	14.48	12,380,262	14.49
Ravi P. Agrawal, Trustee Ravi Agrawal Trust	16,386,623	13.01	12,276,207	14.37
Aayush M. Agrawal, Trustee Aayush Agrawal Trust	14,237,664	11.31	12,261,811	14.36
Gabs Investments Private Limited	12,588,393	10.00	8,392,262	9.83

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

Particulars	As at 31 March 2023	As at 31 March 2022
	Number of Shares	Number of Shares
Equity shares	1,127,250	1,127,750

23.5 Equity shares reserved for issuance under Share-based Incentive Plan 2019 of the Company

Particulars	As at 31 March 2023	As at 31 March 2022
	Number of Shares	Number of Shares
Equity shares	495,000	496,500

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

Particulars	As at 31 March 2023	As at 31 March 2022
	Number of Shares	Number of Shares
Equity shares	203,000	201,500

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for the year ended 31 March 2023

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

Particulars	As at 31 March 2023	As at 31 March 2022
	Number of Shares	Number of Shares
Bonus Shares on allotment of ESOP in FY 2022-23	500	-
Bonus Shares issued in FY 2022-23	42,707,885	-

23.8 Equity shares extinguished on buy-back

For the year ended on 31 March 2023

The Board of Directors of the Company, at its meeting held on 10 March 2023 has approved the proposal of Buy-back of 2,210,500 fully paid-up equity shares of the Company of face value of ₹ 2 each at a price of ₹ 1,425/- per equity share, on a proportionate basis, for an aggregate amount not exceeding ₹ 315.00 Crore through the tender offer process ("Buyback"), in accordance with the provisions of the Companies Act, 2013, and rules made thereunder, and the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (the "SEBI Buyback Regulations"). The buy back issue opened on 31 March 2023 and closed on 10 April 2023.

For the year ended on 31 March 2022

The Board of Directors of the Company, at its meeting held on 28 December 2021 had approved a proposal to buyback up to 1,120,000 equity shares of the Company for an aggregate amount not exceeding ₹ 285.60 Crore being 1.29% of the total paid up equity share capital at ₹ 2,550 per equity share. A Letter of Offer was made to all eligible shareholders. The Company bought back 1,120,000 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares bought back on 28 February 2022. The Company has utilised its Securities Premium (₹ 0.54 Crore) and General Reserve (₹ 285.06 Crore) for the buyback of its equity shares. Total transaction cost of ₹ 2.02 Crore incurred towards buyback and tax of ₹ 66.48 Crore was offset from retained earnings. In accordance with Section 69 of the Companies Act 2013, the Company has created Capital Redemption Reserve of ₹ 0.22 Crore equal to the nominal value of the shares bought back as an appropriation from the General Reserve.

For the year ended on 31 March 2021

The Company bought back 735,000 equity shares for an aggregate amount not exceeding of ₹ 136 Crore being 0.84% of the total paid up equity share capital at ₹ 1,850 per equity share. The equity shares bought back were extinguished on 30 December 2020.

For the year ended on 31 March 2019

The Company bought back 769,230 equity shares for an aggregate amount not exceeding of ₹ 100 Crore being 0.87% of the total paid up equity share capital at ₹ 1,300 per equity share. The equity shares bought back were extinguished on 26 March 2019.

23.9 Details of Equity Shares held by promoters at the end of the year

Name of Shareholders	As at 31 March 2023			As at 31 March 2022		
	Number of Shares	% holding	% Change during the year	Number of Shares	% holding	% Change during the year
Yogesh M. Agrawal, trustee Yogesh Agrawal Trust	18,233,038	14.48	47.28	12,380,262	14.49	(1.22)
Rajesh M. Agrawal, trustee Rajesh Agrawal Trust	18,233,039	14.48	47.28	12,380,262	14.49	(1.22)
Ravi P. Agrawal, trustee Ravi Agrawal Trust	16,386,623	13.01	33.48	12,276,207	14.37	(1.26)
Aayush M. Agrawal, trustee Aayush Agrawal Trust	14,237,664	11.31	16.11	12,261,811	14.36	(1.30)
Gabs Investments Private Limited	12,588,393	10.00	50.00	8,392,262	9.83	-
Ganga Exports being represented by Mr. Yogesh M. Agrawal, Mr. Rajesh M. Agrawal & Mr. Ravi P. Agrawal	3,379,297	2.68	46.94	2,299,852	2.69	(1.90)
Ravi P. Agrawal	285,000	0.23	50.00	190,000	0.22	-
Aayush M. Agrawal	30,000	0.02	50.00	20,000	0.02	-

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for the year ended 31 March 2023

24. OTHER EQUITY

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Capital redemption reserve		
Balance at the beginning of the year	2.63	2.40
Add/(less): utilised for buyback & allotment of Bonus shares	(2.19)	0.23
Balance as at the year end	0.44	2.63
Securities premium account		
Balance at the beginning of the year	-	-
Add: addition during the year	0.18	0.54
Less: utilisation for buyback of shares	(0.18)	(0.54)
Balance as at the year end	-	-
Foreign Currency Translation Reserve		
Balance at the beginning of the year	0.88	9.20
Add: Addition during the year	17.12	(8.33)
Balance as at the year end	18.00	0.87
General reserve		
Balance at the beginning and at the end of the year	531.77	816.83
Less: transferred to capital redemption reserve	-	-
Less: utilised for buyback & allotment of Bonus shares	(320.73)	(285.06)
Balance as at the year end	211.04	531.77
Employee stock option outstanding		
Balance at the beginning of the year	0.30	0.54
Add: share-based payment expenses	(0.18)	(0.54)
Less: exercised during the year	(0.22)	(0.30)
Balance as at the year end	0.34	0.30
Other items of other comprehensive income (Re-measurement gains (losses) on defined benefit plans)		
Balance at the beginning of the year	(6.10)	(6.46)
Add: amount transferred	(2.27)	0.36
Balance as at the year end	(8.37)	(6.10)
Retained earnings		
Balance at the beginning of the year	2,717.70	2,155.73
Profit for the year	587.98	712.68
Less: Appropriations		
- Interim Dividend on Equity shares	89.69	82.21
- Expense relating to buyback of Equity shares	74.72	68.50
Balance at the year end	3,141.27	2,717.70
Total Other equity	3,362.72	3,247.17

25. NON-CURRENT BORROWINGS

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Vehicle loans (secured)		
From banks (foreign currency)	1.25	1.64
	1.25	1.64

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

26. LEASE LIABILITIES

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Lease liabilities (refer note 56)	24.95	16.93
	24.95	16.93

27. OTHER FINANCIAL LIABILITIES (NON-CURRENT)

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Security Deposits payable	1.01	1.09
	1.01	1.09

28. OTHER NON-CURRENT LIABILITIES

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Deferred Government Grant	2.67	3.00
	2.67	3.00

29. PROVISIONS (NON-CURRENT)

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits (Net)		
Gratuity (Refer Note 50.2)	2.32	-
Compensated absences (Refer Note 50.3)	21.83	19.32
	24.15	19.32

30. DEFERRED TAX LIABILITIES (NET)

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Tax effect of items constituting - Deferred tax liabilities		
Difference in tax base of property, plant and equipment (A)	132.02	126.89
Unrealised gain/loss on securities carried at FVOCI/FVTPL (B)	(0.80)	3.13
Tax effect of items constituting - Deferred tax assets		
MAT credit entitlement (C)	2.98	-
Disallowance under income tax (D)	30.52	28.15
Deferred tax liabilities (net) (A+B)-(C+D)	97.72	101.87

31. BORROWINGS (CURRENT)

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Current Maturities of long-term borrowing		
Vehicle loans (secured)	0.18	0.27
	0.18	0.27

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32. LEASE LIABILITIES

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Lease liabilities (refer note 56)	9.25	6.19
	9.25	6.19

33. TRADE PAYABLES

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises	37.94	27.98
Total outstanding dues of creditors other than micro enterprises and small enterprises	384.83	299.19
	422.77	327.17

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

34. OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Unpaid dividend*	0.82	0.91
Unpaid sale proceeds of fractional shares* (31 March 2023 ₹ 15,291 and 31 March 2022 ₹ Nil)	0.00	-
Capital creditors	29.81	42.02
Book overdraft	3.84	9.49
Employee benefits payable	8.85	15.00
Forward exchange contracts used for hedging	18.82	-
Provision for return of Expired goods (Refer note 55)	186.43	163.13
Other payables	-	0.04
Liability on account of share buy back	388.27	-
	636.84	230.59

*There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at 31 March 2023.

35. OTHER CURRENT LIABILITIES

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Advances from customers	10.01	52.31
Statutory dues payable	12.81	11.78
Deferred government grant	0.33	0.33
	23.15	64.42

36. PROVISIONS (CURRENT)

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits (net)		
Gratuity (Refer Note 50.2)	8.71	6.27
Compensated absences (Refer Note 50.3)	5.31	4.54
	14.02	10.81

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for the year ended 31 March 2023

37. CURRENT TAX LIABILITIES (NET)

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Provision for tax (net of income tax assets)	33.07	7.94
	33.07	7.94

38. REVENUE FROM OPERATIONS

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products (Refer note 54)		
Finished goods	3,004.22	2,827.82
Stock-in-trade	703.30	456.31
Other operating revenues		
Export incentives	14.85	44.74
Others	20.27	12.12
	3,742.64	3,340.99

39. OTHER INCOME

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
Bad debts written back, allowance for doubtful trade receivables (net)	0.84	-
Income from financial assets carried at FVTPL		
Gain on sale/redemption of Current Investments	17.12	3.07
Gain on investment at FVTPL	-	9.21
Gain on financial instrument at FVTPL	-	17.09
Income on financial assets carried at amortised cost		
Interest on deposits with banks	0.52	1.01
Interest from others	7.94	13.64
Exchange difference (net)	66.07	56.37
Miscellaneous income	6.15	15.29
	98.64	115.68

40. COST OF MATERIAL CONSUMED

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
Raw material consumed	697.27	624.80
Packing material consumed	181.09	154.54
	878.36	779.34

41. PURCHASE OF STOCK-IN-TRADE

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
Purchase of Stock-in-Trade	146.28	136.10

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for the year ended 31 March 2023

42. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
Inventories at the beginning of the year:		
Work-in-progress	46.50	48.00
Finished goods	262.82	216.63
Stock-in-trade	192.29	152.52
(A)	501.61	417.15
Inventories at the end of the year:		
Work-in-progress	52.46	46.50
Finished goods	278.69	262.82
Stock-in-trade	168.38	192.30
(B)	499.53	501.64
Effect of foreign exchange translation (C)	23.67	1.29
Total changes in inventories of finished goods, work-in-progress and stock-in-trade:		
Work-in-progress	(5.96)	1.49
Finished goods	(15.77)	(46.30)
Stock-in-trade	47.49	(38.37)
Total changes in inventories of finished goods, work-in-progress and stock-in-trade : (A) - (B) + (C)	25.76	(83.17)

43. EMPLOYEE BENEFIT EXPENSES

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	731.16	596.96
Share-based payment expense (refer note 51)	0.22	0.30
Contribution to provident and other funds	33.83	31.37
Gratuity expenses (refer note 50)	7.76	7.07
Staff welfare expenses	12.17	10.08
	785.14	645.79

44. FINANCE COST

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
Interest expenses	5.84	10.20
	5.84	10.20

45. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation on property, plant and equipment (refer note 8)	114.94	108.90
Amortisation on intangible assets (refer note 8)	4.10	3.94
Depreciation on right-of-use assets (Refer note 8)	11.27	11.96
Amortisation on investment property (Refer note 8)	0.49	0.49
	130.80	125.30

Notes to the Consolidated Financial Statements

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46. OTHER EXPENSES

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
Selling expenses	221.69	213.79
Clearing and forwarding	237.23	181.72
Medical Literature Expenses	15.58	6.44
Field Travelling Expenses	38.92	31.97
Consultancy Charges	44.90	40.56
Travelling expenses	77.69	53.79
Processing charges	13.59	14.72
Power and fuel	65.71	54.38
Advertisement and publicity	5.02	4.78
Consumption of stores & spare parts	66.33	54.45
Product registration expenses	45.90	49.50
Rent (refer note 56)	7.59	6.54
Rates and taxes	1.62	1.67
Legal and professional fees	42.65	28.81
Postage, telephone and stationery expenses	12.62	10.63
Repairs & maintenance		
Buildings	5.39	5.29
Plant and machinery	41.86	35.90
Computers & others	12.55	10.52
Insurance	15.80	15.15
Loss on Investment At FVTPL	2.30	-
Donation (includes electoral bond of ₹ 4 Crore, previous year ₹ nil)	4.79	0.86
Bad debts written off, allowance for doubtful trade receivables (net)	0.02	3.98
Loss on financial instrument at FVTPL	18.82	-
Loss on sale/discard of property, plant and equipment (net)	6.19	3.87
Clinical and analytical charges	55.55	44.89
Director sitting fees	0.32	0.27
Corporate social responsibility expenses (refer note 59)	16.37	13.13
Commission to directors	6.72	10.61
Miscellaneous expenses	40.13	35.40
	1,123.85	933.64

47. CAPITAL MANAGEMENT

Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return (EBIT) on capital, as well as the level of dividends to equity shareholders. The Group's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Group. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans.

Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as debt less cash and cash equivalents and current investments. Adjusted equity comprises all components of equity.

Group's policy is to keep the Net Debt Equity ratio below 1.00 and its adjusted net debt to equity ratio at 31 March 2023 was as follows.

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
Borrowings	1.43	1.91
Less: Cash and Cash Equivalents and current investments	(840.10)	(328.22)
Adjusted net debt	(838.67)	(326.30)
Equity	3,387.99	3,264.32
Adjusted net debt to equity ratio	(0.25)	(0.10)

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48. BASIC AND DILUTED EARNINGS PER SHARE IS CALCULATED AS UNDER:

The numerator and denominator used to calculate Basic and diluted earnings per share:

Particulars		₹ in Crore	
		Year ended 31 March 2023	Year ended 31 March 2022
Profit after non-controlling interest attributable to Equity shareholders- for Basic EPS (₹ in Crore)	A	587.98	712.68
Add: Dilutive effect on profit (₹ in Crore)*	B	Nil	Nil
Profit attributable to Equity shareholders for computing Diluted EPS (₹ in Crore)	C=A-B	587.98	712.68
Weighted Average Number of Equity Shares outstanding - for Basic EPS	D	128,118,877	129,658,060
Add: Dilutive effect of option outstanding- Number of Equity Shares *	E	3,994	4,495
Weighted Average Number of Equity Shares for Diluted EPS	F=D+E	128,122,871	129,662,555
Face Value per Equity Share (₹)		2	2
Basic Earnings Per Share (₹) **	A/D	45.89	54.97
Diluted Earnings Per Shares (₹) **	C/F	45.89	54.96

* On account of Employee Stock Option Scheme 2011 (ESOS) and Share-based Incentive Plan 2019 - (Refer note 51).

** Earning per share has been computed after given effect of the share buyback.

49. CONSOLIDATED FINANCIAL STATEMENTS PRESENT THE CONSOLIDATED ACCOUNTS OF THE HOLDING COMPANY AND FOLLOWING SUBSIDIARY COMPANIES

49.1 Details of subsidiaries of the Group are as under:

Name of the Company	Country of Incorporation	₹ in Crore	
		% voting power held as at 31 March 2023	
Ajanta Pharma (Mauritius) Ltd. ("APML")	Mauritius	100%	
Ajanta Pharma USA Inc. ("APUI")	U.S.A.	100%	
Ajanta Pharma Philippines Inc. ("APPI")	Philippines	100%	
Ajanta Pharma Nigeria Ltd. ("APNL")	Nigeria	100%	

49.2 During the year, Ajanta Pharma (Mauritius) International Ltd., a wholly-owned subsidiary of APML, was removed from register of companies u/s 308 of the Companies Act, 2001 (Mauritius) by Business registration department vide its letter dated 27 September 2022.

49.3 The financial statements of the subsidiaries used for consolidation are for the period from 1 April 2022 to 31 March 2023.

50. EMPLOYEE BENEFITS IN RESPECT OF THE HOLDING COMPANY

As required by Ind AS 19 'Employee Benefits' the disclosures are as under:

50.1 Defined contribution plans

The Company offers its employees defined contribution plans in the form of Provident Fund (PF) and Employees' Pension Scheme (EPS) with the government, and certain state plans such as Employees' State Insurance (ESI). PF and EPS cover substantially all regular employees and the ESI covers certain employees. Contributions are made to the Government's administered funds. While both the employees and the Company pay predetermined contributions into the Provident Fund and the ESI Scheme, contributions into the Pension fund is made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. The Company does not have any liability beyond depositing these amounts in to the government administered fund. During the year, the Company has made the following contributions:

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
Provident Fund and Employee's Pension Scheme	29.75	26.89
Employees State Insurance and others	4.05	4.32
Total	33.80	31.21

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for the year ended 31 March 2023

50.2 Defined benefit plans:

Gratuity: The Company makes annual contributions to Employees' Group Gratuity-cum Life Assurance (Cash Accumulation) Scheme of LIC, a funded defined benefit plan for qualifying employees. The Companies scheme provides for payment to vested employees as under:

50.2.1 On normal retirement/early retirement/withdrawal/resignation:

As per the provisions of Payments of Gratuity Act, 1972 with vesting period of 5 years of service with a maximum limit of ₹ 0.20 Crore.

50.2.2 On the death in service:

As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2023. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at the Balance Sheet date:

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
i) Changes in Defined Benefit Obligation		
Opening defined benefit obligation	48.19	43.51
Current service cost	7.59	6.79
Interest cost	2.99	2.47
Actuarial loss/(gain)		
- Changes in financial assumptions	(1.53)	(1.25)
- Changes in demographic assumptions	-	Nil
- Experience adjustments	5.21	1.23
Past service cost	-	-
Benefit (paid)	(3.67)	(4.56)
Closing defined benefit obligation	58.78	48.19
ii) Changes in value of Plan Assets		
Opening value of plan assets	41.92	35.63
Interest Income	2.82	2.19
Return on plan assets excluding amount included in Interest Income	(0.18)	0.56
Contributions by employer	6.49	8.13
Benefits (paid)	(3.66)	(4.56)
Closing value of plan assets	47.75	41.92
iii) Amount recognised in the Balance Sheet		
Present value of funded obligations as at year end	58.78	48.19
Fair value of the plan assets as at year end	(47.75)	(41.92)
Net liability recognised as at the year end	11.03	6.27
iv) Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	7.59	6.79
Net Interest cost	0.17	0.28
Net expenses recognised in the Statement of Profit and Loss	7.76	7.07
Expenses recognised in the Statement of Other comprehensive income		
Net actuarial loss/(gain) recognised in the current year		
- Changes in financial assumptions	(1.53)	(1.25)
- Changes in demographic assumptions	-	-
- Experience adjustments	5.20	1.23
Return on plan assets excluding amounts included in interest income	(0.18)	(0.53)
Net (Expenses)/Income recognised in the Statement of Other comprehensive income	3.49	(0.55)

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for the year ended 31 March 2023

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
v) Asset information		
Insurer Managed Funds (100%)		
(Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available)	100%	100%
vi) Principal actuarial assumptions used		
Discount rate (p.a.)	7.35%	6.80%
Salary growth rate (p.a.)	9.00% for next 1 year and 7.00% thereafter	9.00% for next 1 year and 7.00% thereafter
Weighted average duration of defined benefit obligation (Years)	6.33	6.36
Withdrawal Rate (%):		
Age Band		
25 and below	40%	40%
26 to 35	24%	24%
36 to 45	12%	12%
46 to 55	8%	8%
56 and above	8%	8%
vii) Estimate of amount of contribution in immediate next year	8.72	6.27

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation as shown below.

Particulars	₹ in Crore			
	As at 31 March 2023		As at 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	57.13	60.54	46.78	49.69
Salary growth rate (0.5% movement)	60.28	57.32	49.47	46.94
Withdrawal rate (W.R.) Sensitivity	58.74	58.80	48.00	48.39

Although the analysis does not take in to account full distribution of cash flows expected under the plan, it does provide an approximation of sensitivity of assumptions. The estimate of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

50.3 Leave Encashment:

The Holding Company's employees are entitled for compensated absences which are allowed to be accumulated and encashed as per the Company's policies. The liability of compensated absences, which is non-funded, has been provided based on report of independent actuary using "Projected Unit Credit Method".

Accordingly, ₹ 27.14 Crore (31 March 2022 ₹ 23.85 Crore) being liability as at the year-end for compensated absences as per actuarial valuation has been provided in the accounts.

Employee retirement and other benefit obligations in respect of the subsidiary at Mauritius:

For employees who are not covered by a pension plan, the net present value of severance allowances payable is provided for aggregating ₹ Nil (31 March 2022 ₹ Nil).

Employee retirement and other benefit obligations in respect of the subsidiary at Philippines:

Short-term benefits include salaries and wages and other government contributions which are due within 12 months after the end of the period in which employee renders the related service. The Company's short-term employee benefits amounted to ₹ Nil (31 March 2022 ₹ Nil). The Company did not yet set up a retirement plan since it does not have more than ten employees who had served at least five years.

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Employee retirement and other benefit obligations in respect of the subsidiary at USA:

Short-term benefits include salaries and wages and other government contributions which are due within 12 months after the end of the period in which employee renders the related service. The Company's short-term employee benefits amounted to ₹ 3.28 Crore (31 March 2022 ₹ 3.53 Crore).

51. SHARE-BASED PAYMENTS

The Holding Company has established "Employees Stock Option Scheme 2011" ('ESOS - 2011') and Share-based Incentive Plan 2019 as approved in earlier year by the shareholders of the Company and Compensation committee of Board of Directors for the key employees of the Company. The options issued under the above scheme vest in a phased manner.

During the year 2,000 option have been granted by the Company under the aforesaid Share-based Incentive Plan 2019 to the employees of the Company.

Grant Date	No. of option Granted	No. of Option Cancelled	Exercise Price	Vesting Period
10 May 2022	2,000	-	2	10 May 2025 to 10 May 2026

The options are granted at an exercise price which is in accordance with the relevant SEBI guidelines in force, at the time of such grants. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 2/- each. The particulars of the options under ESOS 2011 and Share-based Incentive Plan 2019 are as under:

Particulars	₹ in Crore	
	As at 31 March 2023 Nos.	As at 31 March 2022 Nos.
Option outstanding as at the beginning of the year	3,000	4,000
Add: Option granted during the year	2,000	3,000
Less: Option exercised during the year *	1,000	4,000
Less: Option lapsed/cancelled during the year	-	-
Option outstanding as at the year End	4,000	3,000

* In the previous year the options were exercised by employees of subsidiaries.

Particulars	As at 31 March 2023 Nos.	Range of Exercise Prices (₹)	Weighted Average Exercise Prices (₹)	Weighted Average Contractual life (Years)
Options outstanding as at the beginning of the year	3,000	2.0	2.0	1.08
Add: Option granted during the year	2,000	2.0	2.0	1.31
Less: Option exercised during the year	1,000	2.0	2.0	-
Less: Option lapsed/cancelled during the year	-	-	-	-
Option outstanding as at the year end	4,000	2.0	2.0	1.60

Particulars	As at 31 March 2022 Nos.	Range of Exercise Prices (₹)	Weighted Average Exercise Prices (₹)	Weighted Average Contractual life (Years)
Option outstanding as at the beginning of the year	4,000	2.0	2.0	0.39
Add: Option granted during the year	3,000	2.0	2.0	1.08
Less: Option exercised during the year	4,000	2.0	2.0	-
Less: Option lapsed/cancelled during the year	-	-	-	-
Option outstanding as at the year end	3,000	2.0	2.0	1.08

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Description of the method and significant assumptions used during the year to estimate the fair values of the options, including the following weighted average information:

Variables	Weighted Average Information								
	ESOS 2011/Share Based Incentive Plan 2019								
Plan	1,000 option	3,000 option	3,000 option	1,500 option	5,000 option	500 option	3,000 option	3,000 option	2,000 option
Grant date	8 May 2015	26 July 2016	26 July 2016	22 August 2017	31 October 2018	27 September 2019	20 May 2020	30 April 2021	10 May 2022
Last date for acceptance	8 June 2015	26 August 2016	26 August 2016	22 September 2017	30 November 2018	27 October 2019	19 June 2020	30 May 2021	9 June 2022
Risk free rate (%)	8.00	7.30	7.30	7.50	7.40	5.20	5.20	4.53	7.06
Expected Life (years)	1 to 3	3 to 4	1 to 3	1 to 4	2	2	1	1 to 3	3 to 4
Volatility (%)	31.70	20.23	20.23	17.20	13.43	13.74	14.67	14.57	13.12
Dividend yield (%)	1.50	0.53	0.53	0.43	0.50	0.55	0.71	0.76	0.68
Price of the underlying share in the market at the time of option grant (₹)	1,264	1,478	1,478	1,153	1,058	1,055	1,439	1,842	1,105
Fair value of options (₹)	1,189	1,453	1,453	1,142	1,043	1,041	1,425	1,792	1,078
Exercise price (₹)	2	2	2	2	2	2	2	2	2

The particulars of the options under ESOS 2011 and Share-based Incentive Plan 2019 granted to Employees of Subsidiary are as below:

Variables	Weighted Average Information					
	ESOS 2011 / Share-based Incentive Plan 2019					
Plan	3,000 option	3,000 option	1,500 option	4,000 option	500 option	3,000 option
Grant date	26 July 2016	26 July 2016	22 August 2017	31 October 2018	27 September 2019	20 May 2020
Last date for acceptance	26 August 2016	26 August 2016	22 September 2017	30 November 2018	27 October 2019	19 June 2020
Risk free rate (%)	7.30	7.30	7.50	7.40	5.20	5.20
Expected Life (years)	3 to 4	1 to 3	1 to 4	2	2	1
Volatility (%)	20.23	20.23	17.2	13.43	13.74	14.67
Dividend yield (%)	0.53	0.53	0.43	0.5	0.55	0.71
Price of the underlying share in the market at the time of option grant (₹)	1,478	1,478	1,153	1,058	1,055	1,439
Fair value of options (₹)	1,453	1,453	1,142	1,043	1,041	1,425
Exercise price (₹)	2	2	2	2	2	2

Valuation of stock options

The fair value of stock options granted during the period has been measured using the Black-Scholes option pricing model at the date of the grant. The Black-Scholes option pricing model includes assumptions regarding dividend yields, expected volatility, expected terms and risk-free interest rates. The key inputs and assumptions used are as follows:

Share price: The closing price on NSE as on the date of grant has been considered for valuing the options granted.

Exercise Price: Exercise Price is the market price or face value or such other price as determined by the Remuneration and Compensation Committee.

Expected Volatility: The historical volatility of the stock till the date of grant has been considered to calculate the fair value of the options.

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Expected Option Life: Expected Life of option is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised.

Expected dividends: Expected dividend yield has been calculated as an average of dividend yields for four years preceding the date of the grant.

Risk free interest rate: The risk-free interest rate on the date of grant considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the Company's control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in future periods, stock-based compensation expense could be materially impacted in future years. The Company has granted stock options to employees of a subsidiary, the estimated fair value of stock options issued are included in the carrying value of the investment in the said subsidiary on a straight-line basis over the requisite service period of each separately vesting portion of the award.

52. FINANCIAL INSTRUMENT – FAIR VALUES AND RISK MANAGEMENT

A. Fair value measurements

Financial instruments by category	As at 31 March 2023		AS at 31 March 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Investment in Limited Liability Partnership	25.10	-	25.10	-
Forward exchange contracts used for hedging	-	-	17.10	-
Investments in NCDs/NC MLDs	207.74	-	121.86	-
Investments in CPs	-	124.21	-	-
Investments in mutual funds	178.32	-	-	-
Investment in unquoted equity shares (31 March 2023 ₹ 37,050, 31 March 2022 ₹ 37,050)	-	0.00	-	0.00
Trade receivables	-	1,056.90	-	1,019.81
Other non-current financial assets	-	11.09	-	12.04
Cash and cash equivalents	-	329.83	-	206.36
Bank balances other than cash and cash equivalents	-	1.07	-	5.43
Current loans	-	17.39	-	6.37
Insurance receivable	-	-	-	0.01
Interest receivable	-	2.48	-	0.58
Total Financial assets	411.16	1,542.97	164.06	1,250.60
Financial Liabilities				
Borrowings and book overdraft	-	5.27	-	11.40
Other non-current financial liabilities	-	1.01	-	1.09
Non-current lease liabilities	-	24.95	-	16.93
Capital creditors	-	29.81	-	42.02
Other current financial liabilities	-	575.52	-	164.08
Employee benefits payable	-	8.85	-	15.00
Current lease liabilities	-	9.25	-	6.19
Forward exchange contracts used for hedging	18.82	-	-	-
Trade payables	-	422.77	-	327.17
Total Financial liabilities	18.82	1,077.43	-	583.88

Fair value measurement of lease liabilities is not required.

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Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

₹ in Crore

Financial assets and liabilities measured at fair value	As at 31 March 2023			As at 31 March 2022		
	Level			Level		
	I	II	III	I	II	III
Financial assets						
Recurring fair value measurement						
Investment in Limited liability partnership	-	-	25.10	-	-	25.10
Forward exchange contracts used for hedging	-	-	-	-	17.10	-
Investments in NCDs/NC MLDs	-	207.74	-	-	121.86	-
Investments in mutual funds	178.32	-	-	-	-	-
Total Financial assets	178.32	207.74	25.10	-	138.96	25.10
Financial Liabilities						
Forward exchange contracts used for hedging	-	18.82	-	-	-	-
Total Financial Liabilities	-	18.82	-	-	-	-

Level 1 – Level 1 Hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have declared buyback NAV. The mutual funds are valued using the closing NAV.

Level 2 – The fair value of financial instruments that are not traded in an active market (like Mark to Market Derivatives, Non-convertible debentures and Non-convertible market link Debentures) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value as instrument are observable, the instrument is included in level 2.

Level 3 – If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Measurement of fair values

Valuation techniques and significant unobservable inputs:

The following tables show the valuation techniques used in measuring Level 2 fair values, for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used:

Type	Valuation Technique	Significant unobservable Inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative instruments	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date.	Not applicable	Not applicable

B. Financial risk management

Group has exposure to following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Currency risk

Risk management framework

Group's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the Company's risk management policies, under the guidance of Audit Committee.

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Group's risk management policies are established to identify and analyse the risks faced by it, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. Group, through its training and procedures aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Group's Audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit committee.

i. Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and mutual funds, foreign exchange transactions and other financial instruments.

Impairment:

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables:

Particulars	As at 31 March 2023		
	Carrying amount	Weighted average loss rate	Loss allowance
Not due	942.48	0.00%	-
Past due up to 180 days	98.84	0.82%	0.80
Past due 181 – 365 days	14.57	4.05%	0.59
Past dues 366 – 730 days	8.90	73.03%	6.50
Past dues 731 – 1096 days	0.06	100.00%	0.06
More than 1096 days	3.09	100.00%	3.09
	1,067.94		11.04

Particulars	As at 31 March 2022		
	Carrying amount	Weighted average loss rate	Loss allowance
Not due	454.10	0.00%	-
Past due up to 180 days	559.83	1.29%	7.24
Past due 181– 365 days	11.75	5.45%	0.64
Past dues 366 – 730 days	5.02	59.96%	3.01
Past dues 731 – 1096 days	0.05	100.00%	0.05
More than 1096 days	3.80	100.00%	3.80
	1,034.55		14.74

a) Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Trade receivables, which are non-interest bearing, are mainly from stockists, distributors and customers and are generally on 14 days to 270 days credit term. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

As at 31 March 2023, Group had 83 customers (31 March 2022 : 75 customers) that owed the Company more than ₹ 0.50 Crore each and accounted for approximately 91% and 93% of the total outstanding as at 31 March 2023 and 31 March 2022.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security. The Group evaluates the

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concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

Sales to certain jurisdictions are either based on advance payments or restricted to certain limits to contain exposures to credit risk.

Expected credit loss assessment

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue. The trend of the bad debts is negligible.

₹ in Crore

Particulars	As at 31 March 2023	As at 31 March 2022
Gross Carrying amount	1,067.94	1,034.55
Average Expected loss rate	1.03%	1.42%
Carrying amount of trade receivables (net of impairment)	1,056.90	1,019.81

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

₹ in Crore

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at the beginning of the year	14.74	13.57
Impairment loss recognised (net)	(0.84)	3.69
Amounts written off	(2.86)	(2.52)
Balance as at the year end	11.04	14.74

During the year impairment gain has been recognised due to write-back of allowance of trade receivable.

b) Financial instruments

Group limits its exposure to credit risk by investing in liquid securities issued by mutual funds having a credit ranking of at least 3 and above from CRISIL or equivalent rating agency. Group monitors changes in credit risk by tracking published external credit ranking. Based on its on-going assessment of counterparty risk, the Group adjusts its exposure to various counterparties.

ii. Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt and overdraft from banks at an optimised cost. Working capital requirements are adequately addressed by internally generated funds. Trade receivables are kept within manageable levels.

Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities over the next six months. The ratio of cash and cash equivalents and other highly marketable debt investments to outflows is 1.18 at 31 March 2023 (0.52 at 31 March 2022).

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Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at 31 March 2023	Carrying Amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Trade payables	422.77	422.77	422.77	-	-	-
Other financial liabilities	637.85	637.85	636.84	1.01	-	-
Lease liabilities	34.20	34.20	9.25	7.95	4.58	12.42
Borrowings	1.43	1.43	0.18	1.25	-	-
Total	1,096.25	1,096.25	1,069.04	10.21	4.58	12.42

As at 31 March 2022	Carrying Amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Trade payables	327.17	327.17	327.17	-	-	-
Other financial liabilities	231.68	231.68	230.59	1.09	-	-
Lease liabilities	23.12	23.12	6.19	2.39	2.12	12.42
Borrowings	1.91	1.91	0.27	1.64	-	-
Total	583.88	583.88	564.22	5.12	2.12	12.42

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Group uses derivative financial instruments such as foreign exchange contracts to manage its exposures to foreign exchange fluctuations. All such transactions are carried out within the guidelines set by the risk management committee.

iv. Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the Group. The currencies in which these transactions are primarily denominated are US Dollars, Euro, Mauritian Rupee, Philippine Peso and Nigerian Naira.

At any point in time, the Group covers foreign currency risk by taking appropriate percentage of its foreign currency exposure, as approved by risk management committee in line with the laid down policy approved by the Board. The Group uses forward exchange contracts to mitigate its currency risk, most with a maturity of less than one year from the reporting date. In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The following table analyses foreign currency risk as of 31 March 2023:

₹ in Crore

Particulars	US Dollars	Euro	Mauritian Rupee	Philippine Peso	Nigerian Naira	Australian Dollar	Sterling Pound	Total
Bank balances	208.22	3.60	24.49	9.76	0.06	-	-	246.13
Trade receivables	838.02	3.78	40.74	76.43	-	-	-	958.97
Payables	(99.27)	(3.26)	(2.85)	(12.08)	(0.41)	(0.01)	(0.01)	(117.89)
Borrowings	-	-	-	(1.43)	-	-	-	(1.43)
Net assets/(liabilities)	946.97	4.12	62.38	72.68	(0.35)	(0.01)	(0.01)	1,085.78

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The following table analyses foreign currency risk as of 31 March 2022:

₹ in Crore						
Particulars	US Dollars	Euro	Mauritian Rupee	Philippine Peso	Nigerian Naira	Total
Bank balances	143.28	2.97	12.28	25.04	0.10	183.67
Trade receivables	837.70	0.67	49.68	62.20	-	950.25
Payables	(60.78)	(1.34)	(14.20)	(9.25)	(0.46)	(86.03)
Borrowings	-	-	-	(1.91)	-	(1.91)
Net assets/(liabilities)	920.20	2.30	47.76	76.08	(0.36)	1,045.98

For the year ended 31 March 2023 every percentage point depreciation/appreciation in the exchange rate for the closing balances between the Indian Rupee and respective currencies would affect the Group's incremental profit before tax as per below:

₹ in Crore		
Particulars	Change in currency exchange rate	Effect on profit before tax
US Dollars (USD)	+1%/(-1%)	9.47/(9.47)
Euro (EUR)	+1%/(-1%)	0.04/(0.04)
Mauritian Rupee (MUR)	+1%/(-1%)	0.62/(0.62)
Philippine Peso (PHP)	+1%/(-1%)	0.73/(0.73)
Nigerian Naira (NN)	+1%/(-1%)	0.00/(0.00)
Australian Dollar (AUD)	+1%/(-1%)	0.00/(0.00)
Sterling Pound (GBP)	+1%/(-1%)	0.00/(0.00)

For the year ended 31 March 2022 every percentage point depreciation/appreciation in the exchange rate between the Indian Rupee and respective currencies has affected the Company's incremental profit before tax as per below:

₹ in Crore		
Particulars	Change in currency exchange rate	Effect on profit before tax
US Dollars (USD)	+1%/(-1%)	6.28/(6.28)
Euro	+1%/(-1%)	0.14/(0.14)
Mauritian Rupee (MUR)	+1%/(-1%)	0.10/(0.10)
Philippine Peso (PHP)	+1%/(-1%)	0.60/(0.60)
Nigerian Naira (NN)	+1%/(-1%)	0.00/(0.00)

53. NOTE ON FOREIGN CURRENCY EXPOSURES ON ASSETS AND LIABILITIES

During the year, the Group has entered into forward exchange contract, being derivative instruments to mitigate foreign currency risk, to establish the amount of currency in Indian Rupees required or available at the settlement date of certain payables and receivables. The following are the outstanding foreign currency forward contracts entered into by the Group:

Particulars	As at 31 March 2023	As at 31 March 2022	Buy or Sell	Cross Currency
	Foreign Currency Amount in Crore	Foreign Currency Amount in Crore		
Euro	5.80	2.56	SELL	INR
USD	8.05	13.92	SELL	INR

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The year-end foreign currency exposures that have not been mitigated by a derivative instrument or otherwise are as below:

Particulars	₹ in Crore	₹ in Crore	Foreign Currency Amount in Crore	Foreign Currency Amount in Crore	Foreign Currency
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	
Amount Receivable	-	-	-	-	USD
	34.09	-	0.38	-	EURO
Amount Payable	171.03	188.14	2.08	2.48	USD
	1.06	19.12	0.01	0.23	EURO
	-	^	-	#	AED
	0.01	-	@	-	GBP
	0.00	-	*	-	AUD

AED 1912 ^ ₹ 38,616 @ GBP 693 * AUD 1,800

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt interest obligations. Further, the Group engages in financing activities at market linked rates, any changes in the interest rates environment may impact future rates of borrowing.

The interest rate profile of the Group's interest-bearing financial instruments as reported to management is as follows.

₹ in Crore		
Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Foreign Currency Term Loan	1.43	1.91

A reasonably possible change of 100 basis points in interest rates at the reporting date would have impacted profit before tax as per below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

₹ in Crore		
Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Increase in interest rate by 100 basis points	(0.01)	(0.02)
Decrease in interest rate by 100 basis points	0.01	0.02

54. DISAGGREGATION OF REVENUE

The operations of the Group are limited to only one segment viz. pharmaceuticals and related products. Revenue from contract with customers is from sale of manufactured goods. Sale of goods are made at a point in time and revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch/delivery. The Group has a credit evaluation policy based on which the credit limits for the trade receivables are established. There is no significant financing component as the credit period provided by the Group is not significant.

Primary Geographical Markets

₹ in Crore		
Particulars	Year ended 31 March 2023	Year ended 31 March 2022
India	1,174.00	982.20
Emerging Market	1,515.51	1,399.96
Africa Institution	190.23	206.10
USA	827.78	695.87
Total revenue from contract with customers	3,707.52	3,284.13
Timing of revenue recognition		
Goods transferred at a point in time	3,707.52	3,284.13

Variable components such as discounts, late delivery charges etc. continues to be recognised as revenue deductions in compliance with Ind AS 115. One customer who contributes more than 10% of the Group's revenue.

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₹ in Crore		
Revenue Break-up	Year ended 31 March 2023	Year ended 31 March 2022
Revenue as per contracted price	7,232.07	6,145.22
Adjusted for:		
Sales Return (including provisions)	53.03	54.54
Chargeback, rebates and discounts	3,338.97	2,713.64
Others	132.55	92.91
Total	3,524.55	2,861.09
Net Sale	3,707.52	3,284.13

The Company normally sells goods on credit which varies from 14 to 21 days for domestic sales and 180 to 270 days in case of export sales. This does not involve any significant financing element.

We have one customer having more than 10% of Group's Revenue amounting to ₹ 443.38 Crore.

55. PROVISION FOR ANTICIPATED RETURN OF EXPIRED GOODS SUBSEQUENT TO SALE

Provision has been made towards probable return of goods from customers, as per Indian Accounting Standard (Ind AS) 115 estimated by management based on past trends.

₹ in Crore		
Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Balance at the beginning of the year	163.13	110.55
Add: Provisions made during the year	186.43	163.13
Less: Amount written back/utilised during the year	163.13	110.55
Balance at the end of the year	186.43	163.13

56. DISCLOSURE FOR LEASES UNDER IND AS 116 - "LEASES"

The Group have taken various premises under operating lease. These are generally cancellable and ranges from 11 months to 5 years and are renewable by mutual consent on mutually agreeable terms. Some of these lease agreements have price escalation clauses. There are no restrictions imposed by these lease arrangements and there are no sub leases. There are no contingent rents. A Single discount rate has been applied to a portfolio of leases with reasonably similar characteristics.

Right-of-use assets

₹ in Crore			
As at 31 March 2023	Buildings	Land	Total
Cost			
As at 1 April 2022	42.23	62.59	104.82
Additions	22.43	-	22.43
Disposals	(27.55)	-	(27.55)
Balance at 31 March 2023	37.11	62.59	99.70
Accumulated depreciation and impairment			
As at 1 April 2022	32.70	1.87	34.57
Depreciation	10.80	0.95	11.75
Eliminated on disposals of assets	(27.48)	-	(27.48)
Balance at 31 March 2023	16.02	2.82	18.84

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for the year ended 31 March 2023

₹ in Crore			
As at 31 March 2022	Buildings	Land	Total
Cost			
As at 1 April 2021	37.76	79.55	117.31
Additions	5.75	1.56	7.31
Disposals	(1.28)	(18.52)	(19.80)
Balance at 31 March 2022	42.23	62.59	104.82
Accumulated depreciation and impairment			
As at 1 April 2021	22.96	2.13	25.09
Depreciation	11.01	0.98	11.99
Eliminated on disposals of assets	(1.27)	(1.24)	(2.51)
Balance at 31 March 2022	32.70	1.87	34.57

₹ in Crore	
Particulars	
Carrying amounts	
As at 1 April 2022	70.25
Balance at 31 March 2023	80.85
As at 1 April 2021	92.22
Balance at 31 March 2022	70.25

₹ in Crore		
Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Short-term lease expense	7.59	6.54
Total lease expense	7.59	6.54

Cash outflow on leases

₹ in Crore		
Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Repayment of lease liabilities (includes interest of ₹ 3.51 Crore for year ending 31 March 2023 and ₹ 2.85 Crore for year ending 31 March 2022)	(14.25)	(16.60)
Total cash outflow on leases	(14.25)	(16.60)

Maturity analysis

Particulars	Less than 1 year	Over 1 years
As at 31 March 2023		
Lease liabilities	9.25	24.95
As at 31 March 2022		
Lease liabilities	6.19	16.93

57. CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities

₹ in Crore		
Particulars	As at 31 March 2023	As at 31 March 2022
i. Claims against the Company not acknowledged as debt	0.61	0.61
ii. Custom Duty on import under Advance License Scheme, pending fulfilment of Exports obligation	2.32	5.22
iii. Disputed Octroi Amount paid under protest and included under "Other Current Assets" ₹ 0.52 Crore (31 March 2022 ₹ 0.52 Crore)	0.52	0.52
iv. Excise duty, Service tax, VAT & GST disputed by the Company	1.10	0.93

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

The Company has three ongoing patent litigations as on 31 March 2023. No liability is expected to arise from these litigations.

The Company does not expect the outcome of the matters stated above to have a material adverse impact on the Company's financial condition, results of operations or cash flows.

Future cash outflows in respect of liability under clause (i) is dependent on terms agreed upon with the parties, in respect of clauses (ii) to (iv) is dependent on decisions by relevant authorities of respective disputes, clause (v) financial guarantee.

Code on Social Security, 2020

The new Code on Social Security, 2020 (Code) has been enacted, which could impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.

Commitments:

- a) Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances ₹ 86.97 Crore (31 March 2022 ₹ 69.16 Crore).

58. RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24 ARE GIVEN BELOW:

A) Relationships:

Category I – Directors, Key Management Personnel:

Mr. Mannalal B. Agrawal	Chairman
Mr. Madhusudan B. Agrawal	Executive Vice Chairman
Mr. Yogesh M. Agrawal	Managing Director
Mr. Rajesh M. Agrawal	Joint Managing Director
Mr. Chandrakant M Khetan	Independent Director
Mr. K. H. Viswanathan	Independent Director
Mr. Prabhakar Dalal	Independent Director
Dr. Anjana Grewal	Independent Director
Mr. Arvind Agrawal	Chief Financial Officer
Mr. Gaurang Shah	Company Secretary

Category II – Enterprise over which persons covered under category I above are able to exercise significant control:

Gabs Investment Private Limited
Seth Bhagwandas Agrawal Charitable Trust
Ganga Exports being represented by Mr. Yogesh M. Agrawal, Mr. Rajesh M. Agrawal & Mr. Ravi P. Agrawal
Mannalal Agrawal Trust, Trustee – Mr. Mannalal B. Agrawal
Yogesh Agrawal Trust, Trustee – Mr. Yogesh M. Agrawal
Rajesh Agrawal Trust, Trustee – Mr. Rajesh M. Agrawal
Ravi Agrawal Trust, Trustee – Mr. Ravi P. Agrawal
Aayush Agrawal Trust, Trustee – Mr. Aayush M. Agrawal
Ajanta Pharma Limited Group Gratuity Trust
Samta Purushottam Agrawal Memorial Foundation
Mamta and Madhusudan Agrawal Memorial Foundation
Manisha Yogesh Agrawal Foundation
Smriti Rajesh Agrawal Foundation
Ajanta Foundation

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

Category III – Others (Relatives of Key Management Personnel):

- Ms. Tanya Agrawal – Daughter of Managing Director
Mr. Aayush M. Agrawal
Mr. Ravi P. Agrawal

A) Following transactions were carried out with related parties:

Sr. No.	Particulars	Category	Year ended 31 March 2023	Year ended 31 March 2022
1.	Compensation to Key Management & Others:			
	Short-Term Employee Benefits			
	Mr. Madhusudan B. Agrawal	I	3.62	3.42
	Mr. Yogesh M. Agrawal	I	12.33	11.06
	Mr. Rajesh M. Agrawal	I	12.33	11.06
	Mr. Arvind Agrawal	I	1.64	1.43
	Mr. Gaurang Shah	I	0.91	0.76
	Ms. Tanya Agrawal	III	0.10	0.08
	Post-employment benefits	I & III	0.44	0.62
2.	Commission and Sitting Fees to Non-Executive Director			
	Mr. Mannalal B. Agrawal	I	0.07	0.06
	Mr. Chandrakant M. Khetan	I	0.12	0.10
	Mr. K. H. Viswanathan	I	0.09	0.08
	Mr. Prabhakar Dalal	I	0.08	0.07
	Dr. Anjana Grewal	I	0.07	0.06
3.	Commission to Executive Director			
	Mr. Yogesh M. Agrawal	I	3.30	5.25
	Mr. Rajesh M. Agrawal	I	3.30	5.25
4.	Dividend Paid			
	Key Management Personnel	I	0.03	0.03
	Others	II & III	63.21	57.83
5.	Corporate Social Responsibility Expense			
	Seth Bhagwandas Agrawal Charitable Trust	II	0.90	-
	Samta Purushottam Agrawal Memorial Foundation	II	5.86	7.04
	Ajanta Foundation	II	0.20	0.15
	Mamta and Madhusudan Agrawal Memorial Foundation	II	4.45	0.19
	Manish Yogesh Agrawal Foundation	II	0.25	-
6.	Contribution made to Group gratuity trust through premium paid to LIC: Premium paid	II	6.85	8.34
7.	Donation			
	Seth Bhagwandas Agrawal Charitable Trust	II	-	0.35
	Manisha Yogesh Agrawal Foundation	II	-	0.15
8.	Buyback of Equity Share			
	Yogesh M. Agrawal, Trustee Yogesh Agrawal Trust	III	48.07	39.04
	Rajesh M. Agrawal, Trustee Rajesh Agrawal Trust	III	48.07	39.04
	Ravi P Agrawal, Trustee Ravi Agrawal Trust	III	43.28	40.01
	Aayush M Agrawal, Trustee Aayush Agrawal Trust	III	39.34	41.21
	Ganga Exports being represented by Mr. Yogesh M. Agrawal, Mr. Rajesh M. Agrawal & Mr. Ravi P. Agrawal	III	10.04	11.34
	Mr. Arvind Agrawal	I	0.11	0.13
	Mr. Gaurang Shah (*₹ 45,600, **₹ 30,600)	I	0.00*	0.00**
	Mr. Chandrakant M. Khetan (#₹ 21,375)	I	0.00#	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

B) Amount outstanding as on 31 March 2023

₹ in Crore				
Sr. No.	Particulars	Category	As at 31 March 2023	As at 31 March 2022
1.	Commission Payable to Non-Executive Director			
	Mr. Chandrakant M Khetan	I	0.04	0.04
	Mr. K. H. Viswanathan	I	0.03	0.02
	Mr. Prabhakar Dalal	I	0.03	0.02
	Dr. Anjana Grewal	I	0.03	0.02
2.	Commission Payable to Executive Director			
	Yogesh M. Agrawal		3.30	5.25
	Rajesh M. Agrawal	I	3.30	5.25
3.	Buyback of Equity Share			
	Yogesh M. Agrawal, Trustee Yogesh Agrawal Trust	III	48.07	-
	Rajesh M. Agrawal, Trustee Rajesh Agrawal Trust	III	48.07	-
	Ravi P Agrawal, Trustee Ravi Agrawal Trust	III	43.28	-
	Aayush M Agrawal, Trustee Aayush Agrawal Trust	III	39.34	-
	Ganga Exports being represented by Mr. Yogesh M. Agrawal, Mr. Rajesh M. Agrawal & Mr. Ravi P. Agrawal	III	10.04	-
	Mr. Arvind Agrawal	I	0.11	-
	Mr. Gaurang Shah (*₹ 45,600)	I	0.00*	-
	Mr. Chandrakant M. Khetan (#₹ 21,375)	I	0.00#	-

Based on the internal and external transfer pricing review and validation, the Group believes that all transactions with associated enterprises are undertaken on the basis of arm's length principle. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. Details related to ESOP given to Employees of Subsidiary provided in note 51.

59. CONTRIBUTION TOWARDS CORPORATE SOCIAL RESPONSIBILITY ("CSR")

As per Section 135 of the Act, a CSR committee has been formed by the Company. The funds are utilised during the year on the activities which are specified in schedule VII of the Act. The utilisation is done by way of direct and indirect contribution towards various activities.

The particulars of CSR expenditure are as follows:

₹ in Crore			
Sr. No.	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a)	Amount required to be spent by the Company during the year	15.54	12.60
(b)	Amount approved by the Board to be spent during the year	15.54	12.60
(c)	Amount spent during the year		
	(i) Construction/acquisition of asset	-	-
	(ii) On purposes other than (i) above	16.37	13.13
	(iii) Shortfall at the end of the year	-	-
	(iv) Total of previous year shortfall	-	-
	(v) Nature of CSR activities	Promoting education, Medical assistance, Rural development & promoting of sports	
(d)	Details of related party transactions (refer note 58)	11.66	7.38

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

60. OPERATING SEGMENTS

A. Basis for segmentation

The operations of the Group are limited to one segment viz. Pharmaceutical and related products. The products being sold under this segment are of similar nature and comprise of pharmaceutical products only.

The Company's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on an aggregation of financial information for all entities in the Group (adjusted for intercompany eliminations, adjustments, etc.) on a periodic basis.

B. Geographic information

The geographic information analyses the Group's revenues and non-current assets by the Company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

a) Revenue from external customers

₹ in Crore		
Particulars	Year ended 31 March 2023	Year ended 31 March 2022
India	1,174.00	982.20
Emerging Market	1,515.51	1,399.96
Africa Institution	190.23	206.10
USA	827.78	695.87
	3,707.52	3,284.13

b) Non-current assets (other than financial instruments and deferred tax assets)

₹ in Crore		
Particulars	Year ended 31 March 2023	Year ended 31 March 2022
India	1,745.82	1,705.57
Africa	1.60	6.43
Asia	4.07	4.42
USA	7.79	19.15
	1,759.28	1,735.57

61. REMUNERATION TO AUDITORS OF THE COMPANY AND ITS SUBSIDIARIES (EXCLUDING GST)

₹ in Crore		
Particulars	Year ended 31 March 2023	Year ended 31 March 2022
- Audit Fees	0.25	0.25
- Limited Review	0.28	0.28
- For Certification and other matters (including OPE)	0.22	0.32
Local Statutory of Subsidiaries		
- For audit	0.28	0.25
- For Certification and other matters (including OPE)	0.04	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

62. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

₹ in Crore

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
i. The principle amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
1) Principle amount due to micro and small enterprises	37.94	27.98
2) Interest due on above	-	-
ii. The amount of interest paid by the buyer as per Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The following is ageing schedule for Trade payables for the year ended 31 March 2023:

Particulars	Unbilled	Not due	Less than 1 year	1-2 years	Total
(i) MSME	-	37.94	-	-	37.94
(ii) Others	11.93	267.22	35.86	0.07	315.08
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	11.93	305.16	35.86	0.07	353.02

The following is ageing schedule for Trade payables for the year ended 31 March 2022:

Particulars	Unbilled	Not due	Less than 1 year	1-2 years	Total
(i) MSME	-	27.98	-	-	27.98
(ii) Others	0.07	282.76	16.36	-	299.19
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	0.07	310.74	16.36	-	327.17

63. ANALYTICAL RATIOS

Ratio	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	Variance (%)
Current Ratio (in times)*	Total current assets	Total current liabilities	2.49	3.50	(28.86)
Debt - Equity Ratio (in times)	Total Debt (Lease liability)	Total equity	0.01	0.01	0.00
Debt Service Coverage Ratio (in times)#	Earnings available for debt service	Debt Service	125.16	83.54	49.82
Return on Equity (%)	Profit for the year less preference dividend (if any)	Average total equity	17.68%	22.77%	(22.35)
Inventory Turnover Ratio (in times)	Sale of products	Average Inventory	4.62	4.22	9.48
Trade receivables turnover ratio (in times)	Revenue from Operations	Average Trade Receivable	3.60	3.80	(5.26)

Notes to the Consolidated Financial Statements

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Ratio	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	Variance (%)
Trade payables turnover ratio (in times)	Net Credit Purchases (Raw material, packing material and purchase of traded goods)	Average Trade Payables	2.82	2.44	15.57
Net capital turnover ratio (in times)	Revenue from operations	Working Capital (Total current assets less Total current liabilities)	2.21	2.07	6.76
Net profit ratio (%)**	Profit for the year	Revenue from operations	15.71%	21.33%	(26.35)
Return on capital employed (ROCE) (%)	Profit before tax and finance costs	Capital Employed (Net worth + Lease liability + Deferred tax liability)	21.39%	27.17%	(21.27)
Return on investment (%)	Income generated from invested funds	Average invested funds	6.13%	6.58%	(6.84)

* Increase in current liabilities on account of share buyback.

Reduction in Borrowings and finance cost.

** Increase in Operation cost and fluctuation in foreign currency rate.

64. RESEARCH AND DEVELOPMENT EXPENDITURE

A unit of the Company has been recognised by Department of Scientific and Industrial Research (DSIR) as in-house research and development unit. The amount of capital and revenue are as below.

₹ in Crore

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Amount in respect to Capital Expenditure	18.20	12.19
Revenue Expenditure	237.01	204.34
Total	255.21	216.53

65. ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY

As at 31 March 2023

Name of Enterprise	Net assets i.e. total assets minus total liabilities		Share in profit (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of total	Amount ₹ in Crore	As % of total	Amount ₹ in Crore	As % of total	Amount ₹ in Crore	As % of total	Amount ₹ in Crore
Holding Company								
Ajanta Pharma Ltd.	95.8%	3,246.45	95.0%	558.72	(15.3)%	(2.27)	92.3%	556.45
Foreign Subsidiaries								
APML	3.1%	106.59	(1.2)%	(7.14)	56.2%	8.34	0.2%	1.20
APPI	2.7%	89.89	4.1%	24.24	8.9%	1.32	4.2%	25.56
APUI	3.0%	101.79	1.9%	11.35	50.2%	7.46	3.1%	18.81
APNL	0.0%	(0.36)	0.0%	(0.09)	0.0%	0.01	0.0%	(0.08)
Total Eliminations/ Adjustments	(4.1)%	(138.38)	0.2%	0.89	0.0%	-	0.1%	0.89
Exchange difference on translation of foreign operations	(0.5)%	(18.00)	0.0%	-	0.0%	-	0.0%	-
Total		3,387.99		587.98		14.85		602.83

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

As at 31 March 2022

Name of Enterprise	Net assets i.e. total assets minus total liabilities		Share in profit (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of total	Amount ₹ in Crore	As % of total	Amount ₹ in Crore	As % of total	Amount ₹ in Crore	As % of total	Amount ₹ in Crore
Holding Company								
Ajanta Pharma Ltd.	97.1%	3,169.15	101.0%	719.86	(4.5)%	0.36	102.2%	720.22
Foreign Subsidiaries								
APML	3.2%	105.39	1.1%	7.87	98.4%	(7.84)	0.0%	0.04
APPI	3.0%	99.47	5.1%	36.01	38.3%	(3.05)	4.7%	32.97
APUI	2.5%	82.98	2.9%	20.78	(32.1)%	2.56	3.3%	23.33
APNL	0.0%	(0.27)	0.0%	(0.22)	0.0%	0.00	0.0%	(0.21)
Total Eliminations/ Adjustments	(5.9)%	(191.50)	(10.0)%	(71.63)	0.0%	-	(10.2)%	(71.63)
Exchange difference on translation of foreign operations	0.0%	(0.90)	0.0%	-	0.0%	-	0.0%	-
Total		3,264.32		712.68		(7.97)		704.71

Refer Annexure "B" of Director's Report for salient features of the financial statements of subsidiaries

66. INVESTMENT PROPERTIES

Rental income recognised in profit or loss for investment properties aggregates to ₹ 0.35 Crore (31 March 2022 ₹ 0.01 Crore). Maintenance and other expenses aggregating to ₹ 0.02 Crore (31 March 2022 ₹ 0.02 Crore). Fair value of Investment Properties aggregates to ₹ 12.48 Crore as per registered valuer.

67. ASSET HELD FOR SALE

- The Parent Company has entered into agreement for sale of its investment properties, subject to fulfilment of certain conditions. Transaction is expected to be completed in the next three months. Pending fulfilment of such conditions, the said properties aggregating to ₹ 7.92 Crore has been reclassified from investment properties to assets held for sale.
- Ajanta Pharma Mauritius Limited (APML), a wholly-owned subsidiary, has entered into an arrangement for sale of its Leasehold improvements, Plant & Machinery, Furniture & Fixtures, Office equipment at BPML Building, Royal Road, Goodlands, Mauritius for a value of MUR 5 Million, for which full advance has been received and recognised as part of other current liability, subject to fulfilment of certain conditions. Transaction is expected to be completed in the next 12 months. Pending fulfilment of such conditions, the said investment has been classified as asset held for sale.

68. INCOME TAX

Amount recognised in statement of profit and loss

a) Current tax

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
Current tax on profit for the year	175.58	217.22
Adjustment for current tax of prior periods*	21.66	(25.55)
Total Current Tax expenses	197.24	191.67
Deferred tax expense/(benefit)		
Origination and reversal of timing difference	(36.99)	4.94
Adjustment for prior periods	-	0.19
MAT Credit Entitlement	(2.98)	-
Total Deferred Tax expenses	(39.97)	5.13
Total income tax recognised in the income statement	157.27	196.80

* Tax expenses for prior periods amounting to ₹ 21.66 Crore (31 March 2022 tax credit ₹ 25.55 Crore) comprises reversal of Income Tax refund on account of ITAT order giving effect.

Notes to the Consolidated Financial Statements

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b) Reconciliation of effective tax rate

The following is a reconciliation of the Group's effective tax rate

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
Accounting profit before income taxes	745.25	909.48
Enacted tax rate in India (%)	34.94%	34.94%
Computed expected tax (benefit)/expenses	260.42	317.81
Tax effect due to non-taxable income for India tax purpose	(15.87)	(3.13)
Overseas taxes	11.15	17.61
Effect of non-deductible expenses	15.19	14.92
Temporary difference which is reversed during the Tax Holiday period	(1.76)	(3.18)
Tax effect which is chargeable at different rate	(9.62)	(4.44)
Other deductible expenses	(13.05)	(15.50)
Adjustment for current tax of prior periods	21.66	(25.55)
MAT Credit entitlement	(2.98)	-
Deduction for Tax Holiday Unit	(107.87)	(101.74)
Income tax expenses	157.27	196.80
Effective tax rate	21.10%	21.64%

c) Recognised deferred asset and liability

Particulars	Deferred tax asset		Deferred tax liabilities		Net deferred tax asset/(liabilities)	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Property, Plant and equipment	-	-	132.02	126.89	(132.02)	(126.89)
Gain on Investment at FVTPL	0.80	-	-	3.13	0.80	(3.13)
Leave Encashment	9.48	8.34	-	-	9.48	8.34
Provision for return of Expired Goods	16.70	14.19	-	-	16.70	14.19
Diminution in the value of investments	0.48	0.48	-	-	0.48	0.48
MAT Credit Entitlement	2.98	-	-	-	2.98	-
Provision for Loss Allowance	3.86	5.15	-	-	3.86	5.15
Temporary difference related to subsidiaries	21.30	26.29	-	-	21.30	26.29
Others	75.47	29.26	-	-	75.47	29.26
Net deferred tax asset/(liabilities)	131.07	83.70	132.02	130.02	0.95	(46.32)

d) Movement in deferred tax balances 31 March 2023

Particulars	₹ in Crore				
	Net balance as at 1 April 2022	Recognised in Profit and loss	Net	Deferred tax asset	Deferred tax liabilities
Property, Plant and equipment	(126.89)	(5.13)	(132.02)	-	(132.02)
Gain on Investment at FVTPL	(3.13)	3.93	0.80	0.80	-
Leave Encashment	8.34	1.14	9.48	9.48	-
Provision for return of Expired Goods	14.19	2.51	16.70	16.70	-
Diminution in the value of investments	0.48	-	0.48	0.48	-
MAT Credit Entitlement	-	2.98	2.98	2.98	-
Provision for Loss Allowance	5.15	(1.29)	3.86	3.86	-
Temporary difference related to subsidiaries	26.29	(4.99)	21.30	21.30	-
Others	29.26	46.21	75.47	75.47	-
Net deferred tax asset/(liabilities)	(46.31)	45.36	(0.95)	131.07	(132.02)

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

e) Movement in deferred tax balances 31 March 2022

₹ in Crore

Particulars	Net balance as at 1 April 2021	Recognised in Profit and loss	Net	Deferred tax asset	Deferred tax liabilities
Property, Plant and equipment	(115.88)	(11.01)	(126.89)	-	(126.89)
Gain on Investment at FVTPL	(0.61)	(2.52)	(3.13)	-	(3.13)
Leave Encashment	7.53	0.80	8.34	8.34	-
Provision for return of Expired Goods	11.57	2.62	14.19	14.19	-
Diminution in the value of investments	0.48	-	0.48	0.48	-
Provision for Loss Allowance	4.74	0.41	5.15	26.29	-
Temporary difference related to subsidiaries	24.79	1.50	26.29	29.26	-
Others	25.31	3.95	29.26	8.34	-
Net deferred tax asset/(liabilities)	(42.70)	(4.25)	(46.32)	83.70	(130.02)

The charge relating to temporary differences during the year ended 31 March 2023 are primarily on account of property plant and equipment and gain on investment at FVTPL partially offset by provision for expired goods, provision for loss allowance, compensated absences, MAT credit entitlement. The credit to temporary differences during the year ended 31 March 2022 are primarily on account of Property plant and equipment and gain on investment at FVTPL partially offset by provision for expired goods, compensated absences, provision for loss allowance. Current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same authority.

69. ADDITIONAL DISCLOSURES REQUIRED BY SCHEDULE III (AMENDMENTS DATED 24 MARCH 2021) TO THE COMPANIES ACT, 2013

A. Relationship with struck off company

The Group has one transaction with the companies struck off under Companies Act, 2013 or Companies Act, 1956

- Name of the struck off company: Airtech Filters & Systems Private Limited
- Nature of transactions: Payable towards purchase of spare parts
- Balance outstanding: ₹ 0.06 Crore
- Relationship with the struck off company (if any): No Relationship

B. Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

C. Utilisation of borrowings availed from banks

The borrowings obtained by The Group from banks have been applied for the purposes for which such loans were taken.

D. Details of benami property held

No proceedings have been initiated on or are pending against The Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

E. Wilful defaulter

The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

F. Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

G. Compliance with approved scheme(s) of arrangements

The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

H. Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

I. Utilisation of borrowed funds and share premium

- The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

In terms of our report attached

For B S R & Co. LLP

Chartered Accountants
Firm Registration No.: 101248W/W-100022

Sreeja Marar

Partner
Membership No.: 111410

Place: Mumbai
Date: 5 May 2023

For and on behalf of the Board of Directors

Ajanta Pharma Limited
CIN – L24230MH1979PLC022059

Yogesh M. Agrawal

Managing Director
DIN: 00073673

Arvind K. Agrawal

Chief Financial Officer

Rajesh M. Agrawal

Joint Managing Director
DIN: 00302467

Gaurang C. Shah

Company Secretary
FCS: 6696

Independent Auditor's Report

To the Members of
Ajanta Pharma Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of **Ajanta Pharma Limited** (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Revenue Recognition

See Note 6.10 of accounting policies and note 35 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
<p>As stated in See Note 6.10 to the standalone financial statements, revenue from sale of products is recognised at a point in time when control of the products is transferred to the customer. Revenue from the sale of goods is measured based on the transaction price adjusted for discounts and rebates, which is specified in contract with customers.</p> <p>The actual point in time when revenue is recognised varies depending on the specific terms and conditions of the sales contracts entered into with customers. The Company has a large number of customers operating in various geographies and sales contracts with these customers have distinct terms and conditions relating to the recognition of revenue and right of return.</p> <p>Revenue is a key performance indicator for the Company. Accordingly, there could be pressure to meet the expectations of investors/other stakeholders and/or to meet revenue targets stipulated in performance incentive schemes for a reporting period. We have considered that there is a risk of fraud related to revenue being overstated by recognition in the wrong period or before control has passed to a valid customer.</p> <p>Accordingly, we identified recognition of revenue from sale of products during the year and at the period end as a key audit matter.</p>	<p>Our procedures in respect of recognition of revenue included the following:</p> <ul style="list-style-type: none"> Verifying the accounting policies adopted by the Company with respect to recognition of revenue by comparing with the applicable accounting standards. Testing the design, implementation and operating effectiveness of the Company's manual and automated controls designed to ensure recognition of valid revenue transactions in the correct period. Performing substantive testing of selected samples of revenue transactions recorded during the year as well as at year-end. We used statistical sampling and verified contractual terms of sales invoices/contracts, shipping documents and acknowledged delivery receipts for those transactions. Analysing and testing high risk journal entries and other adjustments that contain unusual combinations of credit to revenue with no associated debit to cash, debtors or another revenue account.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matter(s)

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

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report(s) thereon.

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

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

Management's and Board of Directors Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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

Independent Auditor's Report

obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone

statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements – Refer Note 52 to the standalone financial statements.
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 60 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by

or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 60 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

- e) The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.
- f) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Sreeja Marar
Partner

Place: Mumbai
Date: 05 May 2023

Membership No.: 111410
ICAI UDIN: 23111410BGYATZ4354

Annexure A to the Independent Auditor's Report

on the Standalone Financial Statements of Ajanta Pharma Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as

followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year other than loan to employees. The Company has granted employee loans during the year. Accordingly, we have reported the provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order to the extent applicable to the Company with respect to employee loans.

- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided employee loans as below:

Particulars	Loans (₹ in Crore)
Aggregate amount during the year	0.62
Others	
Balance outstanding as at balance sheet date	2.08
Others	

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans during the year are *prima facie*, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Sections 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that

prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

(₹ in Crore)						
Name of the Statute	Nature of dues	Amount Demanded	Amount not deposited under dispute	Amount deposited under dispute	Period to which the amount relates	Forum where dispute is pending
Central Goods & Service Tax Act, 2017	GST	0.26	0.25	0.01	FY 2017-18	CESTAT, Hyderabad
Central Goods & Service Tax Act, 2017	GST	0.01	0.01	-	FY 2017-18	CESTAT, Palghar
Central Excise Act 1944	Excise duty	0.20	0.20	-	FY 2010-11 to FY 2015-16	CESTAT, Bengaluru
Central Excise Act 1944	Excise duty	0.05	0.05	-	FY 2006-07 to FY 2010-11	CESTAT, Mumbai
Central Goods & Service Tax Act, 2017	GST	0.06	0.03	0.03	FY 2017-18	CESTAT (Orissa)
Central Goods & Service Tax Act, 2017	GST	0.29	0.28	0.01	FY 2017-18	Joint Commissioner Appeals (UP)
Central Goods & Service Tax Act, 2017	GST	0.07	0.07	-	FY 2017-18	Joint Commissioner Appeals (Bihar)
Central Goods & Service Tax Act, 2017	GST	0.12	0.12	-	FY 2018-19	Joint Commissioner Appeals (Bihar)
Gujarat VAT Act	CST	0.02	0.02	-	FY 2017-18	Assistant Commissioner, Ahmedabad

**Annexure A to the Independent Auditor's Report
on the Standalone Financial Statements of Ajanta Pharma Limited for the year ended 31 March 2023**

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Sreeja Marar
Partner

Place: Mumbai
Date: 05 May 2023

Membership No.: 111410
ICAI UDIN: 23111410BGYATZ4354

Annexure B to the Independent Auditor’s Report

on the Standalone Financial Statements of Ajanta Pharma Limited for the year ended 31 March 2023

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Ajanta Pharma Limited (“the Company”) as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

Management’s and Board of Directors’ Responsibilities for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the

extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company’s internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Sreeja Marar
Partner

Place: Mumbai
Date: 05 May 2023

Membership No.: 111410
ICAI UDIN: 23111410BGYATZ4354

Balance Sheet

as at 31 March 2023

Particulars	Note	₹ in Crore	
		As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	8	1,399.84	1,410.21
Capital work-in-progress	8	209.47	152.86
Investment properties	8	-	8.41
Right-of-use assets	8	79.29	67.88
Other intangible assets	8	4.88	5.82
Financial assets			
(i) Investments	9	42.99	42.99
(ii) Other financial assets	10	10.99	11.84
Income tax assets (net)	11	0.83	17.01
Other non-current assets	12	5.31	6.46
Total non-current assets		1,753.60	1,723.48
Current assets			
Inventories	13	683.77	635.11
Financial assets			
(i) Investments	14	510.27	121.86
(ii) Trade receivables	15	977.63	1,043.62
(iii) Cash and cash equivalents	16	268.85	139.83
(iv) Bank balances other than cash and cash equivalents	17	1.07	5.42
(v) Loans	18	17.01	6.14
(vi) Other financial assets	19	2.48	17.68
Other current assets	20	82.19	87.35
Non-Current assets classified as held for sale	21	7.92	-
Total current assets		2,551.19	2,057.01
Total assets		4,304.79	3,780.49
EQUITY AND LIABILITIES			
Equity			
Equity share capital	22	25.27	17.17
Other equity	23	3,221.18	3,152.01
Total equity		3,246.45	3,169.18
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	24	24.95	16.33
(ii) Other financial liabilities	25	1.01	1.09
Provisions	26	24.15	19.32
Deferred tax liabilities (net)	27	97.72	101.87
Other non-current liabilities	28	2.67	3.00
Total non-current liabilities		150.50	141.61
Current liabilities			
Financial liabilities			
(i) Lease liabilities	29	7.95	4.16
(ii) Trade payables	30		
(a) total outstanding dues of micro enterprises and small enterprises		37.94	27.98
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		315.08	246.39
(iii) Other financial liabilities	31	498.22	108.02
Other current liabilities	32	23.15	64.41
Provisions	33	14.02	10.80
Current tax liabilities (net)	34	11.48	7.94
Total current liabilities		907.84	469.70
Total liabilities		1,058.34	611.31
Total equity and liabilities		4,304.79	3,780.49
Significant accounting policies	1 to 7		
The notes referred to above form an integral part of standalone financial statements	8 to 64		

As per our report of even date attached
For B S R & Co. LLP

Chartered Accountants
Firm Registration No.: 101248W/W-100022

Sreeja Marar
Partner
Membership No.: 111410

Place: Mumbai
Date: 05 May 2023

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

CIN – L24230MH1979PLC022059

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind K. Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang C. Shah
Company Secretary
FCS No. 6696

Statement of Profit and Loss

for the year ended 31 March 2023

Particulars	Note	₹ in Crore	
		Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from operations	35	3,411.27	3,140.64
Other income	36	132.75	139.73
Total income		3,544.02	3,280.37
Expenses			
Cost of materials consumed	37	878.36	773.04
Purchase of stock-in-trade	38	149.04	116.12
Changes in inventories of finished goods/stock-in-trade/work-in-progress	39	(21.99)	(56.60)
Employee benefits expense	40	720.41	585.87
Finance costs	41	5.23	9.12
Depreciation and amortisation expense	42	126.95	120.96
Other expenses	43	986.17	831.32
Total expenses		2,844.17	2,379.83
Profit before tax		699.85	900.54
Tax expense:	63		
- Current tax			
For current year		122.40	196.72
For prior years		21.66	(25.55)
- Deferred tax (net)		(2.93)	9.51
Total tax expense		141.13	180.68
Profit for the year		558.72	719.86
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of defined benefit liability/(assets)		(3.49)	0.55
Income tax relating to items that will not be reclassified to profit or loss		1.22	(0.19)
Net other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss		(2.27)	0.36
Other comprehensive income/(loss) for the year (net of income tax)		(2.27)	0.36
Total comprehensive income for the year		556.45	720.22
Earnings per equity share (Face Value ₹ 2/-)	45		
Basic (₹)		43.61	55.52
Diluted (₹)		43.61	55.52
Significant accounting policies	1 to 7		
The notes referred to above form an integral part of standalone financial statements	8 to 64		

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
Firm Registration No.: 101248W/W-100022

Sreeja Marar
Partner
Membership No.: 111410

Place: Mumbai
Date: 05 May 2023

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

CIN – L24230MH1979PLC022059

Yogesh M. Agrawal
Managing Director
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Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang C. Shah
Company Secretary
FCS No. 6696

Statement of Changes in Equity

for the year ended 31 March 2023

A. EQUITY SHARE CAPITAL (REFER NOTE 22)

₹ in Crore

Particulars	Balance as at 1 April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31 March 2023
Authorised	30.00	-	30.00	-	30.00
Issued, Subscribed & Paid up	17.17	-	17.17	8.10	25.27

₹ in Crore

Particulars	Balance as at 1 April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31 March 2022
Authorised	30.00	-	30.00	-	30.00
Issued, Subscribed & Paid up	17.39	-	17.39	(0.22)	17.17

B. OTHER EQUITY (REFER NOTE 23)

₹ in Crore

Particulars	Reserves and Surplus					Items of other comprehensive income	Total Other Equity
	Capital Redemption Reserve	Securities Premium	General Reserve	Employee Stock Options Outstanding Account	Retained Earnings	(Re-measurement gains (losses) on defined benefit plans)	
As at 1 April 2021	2.40	-	745.27	0.55	2,125.83	(6.46)	2,867.59
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
Restated balance as at 1 April 2021	2.40	-	745.27	0.55	2,125.83	(6.46)	2,867.59
Profit for the year	-	-	-	-	719.86	-	719.86
Other comprehensive income (net of tax)	-	-	-	-	-	0.36	0.36
Total comprehensive income	-	-	-	-	719.86	0.36	720.22
Utilised for allotment of bonus shares (Refer note 22.1)	-	-	-	-	-	-	-
Utilised for buy-back of Equity Shares (Refer note 22.8)	-	(0.54)	(285.06)	-	-	-	(285.60)
Payment of Expenses for buyback of shares (Refer note 22.8)	-	-	-	-	(2.02)	-	(2.02)
Transfer to Capital Redemption Reserve for buyback of Equity Shares (Refer note 22.8)	0.22	-	-	-	-	-	0.22
Exercised stock options	-	0.54	-	(0.55)	-	-	(0.01)
Share based payment expense	-	-	-	0.30	-	-	0.30
Dividend paid	-	-	-	-	(82.21)	-	(82.21)
Tax on buyback of equity shares (Refer note 22.8)	-	-	-	-	(66.48)	-	(66.48)
As at 31 March 2022	2.62	-	460.21	0.30	2,694.98	(6.10)	3,152.01
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
Restated balance as at 1 April 2022	2.62	-	460.21	0.30	2,694.98	(6.10)	3,152.01
Profit for the year	-	-	-	-	558.72	-	558.72
Other comprehensive income (net of tax)	-	-	-	-	-	(2.27)	(2.27)
Total comprehensive income	-	-	-	-	558.72	(2.27)	556.45

Statement of Changes in Equity

for the year ended 31 March 2023

₹ in Crore

Particulars	Reserves and Surplus					Items of other comprehensive income	Total Other Equity
	Capital Redemption Reserve	Securities Premium	General Reserve	Employee Stock Options Outstanding Account	Retained Earnings	(Re-measurement gains (losses) on defined benefit plans)	
Utilised for allotment of bonus shares (Refer note 22.1)	(2.62)	(0.18)	(5.73)	-	-	-	(8.53)
Utilised for buy-back of Equity Shares (Refer note 22.8)	-	-	(315.00)	-	-	-	(315.00)
Payment of Expenses for buyback of shares (Refer note 22.8)	-	-	-	-	(1.44)	-	(1.44)
Transfer to Capital Redemption Reserve for buyback of Equity Shares (Refer note 22.8)	0.44	-	-	-	-	-	0.44
Exercised stock options	-	0.18	-	(0.18)	-	-	-
Share based payment expense	-	-	-	0.22	-	-	0.22
Dividend paid	-	-	-	-	(89.69)	-	(89.69)
Tax on buyback of equity shares (Refer note 22.8)	-	-	-	-	(73.28)	-	(73.28)
As at 31 March 2023	0.44	-	139.48	0.34	3,089.29	(8.37)	3,221.18

NATURE OF RESERVES

a) Capital redemption reserve

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

b) Securities premium

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

c) General reserve

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

d) Employees stock options outstanding account

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

e) Retained earnings

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

Significant accounting policies

See accompanying notes forming part of the standalone financial statements

1 to 7

8 to 64

As per our report of even date attached
For B S R & Co. LLP

Chartered Accountants
Firm Registration No.: 101248W/W-100022

Sreeja Marar
Partner
Membership No.: 111410

Place: Mumbai
Date: 05 May 2023

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

CIN - L24230MH1979PLC022059

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind K. Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang C. Shah
Company Secretary
FCS No. 6696

Statement of Cash Flow

for the year ended 31 March 2023

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
A. Cash flow from operating activities		
Profit before tax	699.85	900.54
Adjustment for:		
Depreciation and amortisation expense	126.95	120.96
Loss on sale/retirement of property, plant and equipment (net)	1.52	3.87
Finance cost	5.23	9.12
Dividend from subsidiaries	(35.14)	(22.33)
Loss/(Gain) on fair value of investment	2.30	(9.07)
Loss/(Gain) on fair value of derivative	18.82	(17.09)
Income from investments & deposits	(25.31)	(12.35)
Deferred Government Grant	(0.33)	(0.33)
Equity settled share-based payment	0.22	0.30
Unrealised foreign exchange Gain	(14.08)	(21.19)
Impairment (Gain)/Loss on financial assets	(0.84)	3.69
Operating cash flow before working capital changes	779.19	956.12
Changes in working capital:		
Decrease in other non-current financial assets	0.85	4.31
Decrease in non-current assets	0.20	0.01
(Increase) in inventories	(48.67)	(0.89)
(Increase) in current loans	(10.88)	(0.40)
Decrease/(Increase) in trade receivables	81.94	(244.17)
Decrease in other current financial assets	15.20	5.27
Decrease in other current assets	5.16	29.77
(Decrease) in non-current other financial liabilities	(0.09)	(0.16)
Increase in non-current other liabilities	0.66	0.67
Increase in non-current provisions	4.83	1.39
Increase/(Decrease) in trade payables	78.46	(43.43)
(Decrease)/Increase in other current financial liabilities	(11.89)	4.00
(Decrease)/Increase in other current liabilities	(34.06)	23.86
Increase/(Decrease) in current provisions	0.95	(0.54)
Cash generated from operating activities	861.85	735.81
Net income tax paid	(125.56)	(193.47)
Net cash generated from operating activities (a)	736.29	542.34
B. Cash flow from investing activities		
Capital expenditure on property, plant and equipment including capital advances	(175.66)	(146.53)
Proceeds from sale of property, plant and equipment	0.57	18.39
Bank balances not considered as cash and cash equivalents	4.35	26.68
Dividend from subsidiaries	35.14	22.33
Purchase of current investments	(1,666.86)	(1,037.87)
Proceeds from sale of current investments	1,276.15	1,064.04
Income on investments and deposits	25.00	11.92
Investment in Limited Liability Partnership	-	(25.00)
Net cash used in investing activities (b)	(501.31)	(66.04)

Statement of Cash Flow

for the year ended 31 March 2023

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
C. Cash flow from financing activities		
Interest paid	(1.76)	(6.52)
Payment of lease liability (includes interest of ₹ 3.47 Crore in current year and ₹ 2.60 Crore in previous year)	(12.23)	(14.47)
Payment for buyback of equity shares (Refer note 22.8)	-	(285.60)
Payment for tax on buyback of equity shares (Refer note 22.8)	-	(66.48)
Payment of expenses for buyback of equity shares (Refer note 22.8)	(1.44)	(2.02)
Dividend paid	(89.69)	(82.21)
Net cash used in financing activities (c)	(105.12)	(457.30)
Net Increase in cash and cash equivalents (a+b+c)	129.86	19.00
Cash and cash equivalents as at the beginning of the year	139.83	119.88
Cash and cash equivalents as at the end of the year	269.69	138.88
Reconciliation of cash and cash equivalents with the Balance sheet		
Cash and cash equivalents as at the end of the year	269.69	138.88
Unrealised gain/(loss) on foreign currency cash and cash equivalents	(0.84)	0.95
Cash and cash equivalents restated balance as per balance sheet (Refer Note 16)	268.85	139.83

Figures in brackets indicates outflow.

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS 7) " Statement of Cash Flow " under Section 133 of the Companies Act, 2013.
- Cash comprises cash on hand, current accounts and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).
- During the year the Company paid ₹ 16.37 Crore (31 March 2022 ₹ 13.13 Crore) towards corporate social responsibility (CSR) expenditure included in corporate social responsibility expenditure (Refer note 54).

Significant accounting policies

See accompanying notes forming part of the standalone financial statements

1 to 7

8 to 64

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
Firm Registration No.: 101248W/W-100022

Sreeja Marar

Partner
Membership No.: 111410

Place: Mumbai
Date: 05 May 2023

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

CIN – L24230MH1979PLC022059

Yogesh M. Agrawal

Managing Director
DIN: 00073673

Arvind K. Agrawal
Chief Financial Officer

Rajesh M. Agrawal

Joint Managing Director
DIN: 00302467

Gaurang C. Shah
Company Secretary
FCS No. 6696

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

1. CORPORATE INFORMATION

Ajanta Pharma Limited ("the Company") is a public limited company incorporated and domiciled in India. Its shares are listed on Bombay Stock Exchanges and National Stock Exchange. The Registered office of the Company is located at Ajanta House, Charkop, Kandivali (West), Mumbai.

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

2. BASIS OF PREPARATION

Statement of Compliance:

These standalone financial statements of the Company have been prepared in all material aspects in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under Section 133 of the Companies Act, 2013 ('The Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India. These standalone financial statements have been prepared on an accrual basis and under the historical cost basis, except otherwise stated.

The standalone financial statements for the year ended 31 March 2023 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on 05 May 2023.

Use of estimates and judgements:

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

The areas involving estimates or judgements are as follows:

Property, plant and equipment:

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the

asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

Recognition and measurement of defined benefit obligations:

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

Intangible Assets:

Intangible assets majorly consist software licences which are amortised over licence period which equates the economic useful life ranging between 2-5 years on a straight-line basis over the period of its economic useful life.

Allowance for uncollected accounts receivable and advances:

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

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

Allowances for inventories:

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

Management also reviews net realisable value for all its inventory and is satisfied that adequate allowance has been made in the financial statements.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

Contingencies:

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

Impairment reviews:

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

3. FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Indian Rupees ('INR' or 'Rupees' or 'Rs.' or '₹') which is the functional currency for the Company.

4. ROUNDING OF AMOUNTS

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

5. CURRENT/NON-CURRENT CLASSIFICATION

An entity shall classify an asset as current when –

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

An entity shall classify a liability as current when –

- it expects to settle the liability in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months

after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

Operating Cycle:

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

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

6. SIGNIFICANT ACCOUNTING POLICIES

6.1 Property, Plant and Equipment

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

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

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

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

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

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

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

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

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

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

6.2 Intangible Assets

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

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. Internally generated intangibles, excluding development costs as defined in Ind AS, are not capitalised and the related expenditure is reflected in Statement of profit and loss in the period in which the expenditure is incurred.

Software is amortised over their estimated useful life on straight-line basis from the date they are available for intended use or the period of the license as applicable, subject to impairment test.

The amortisation period and the amortisation method for an intangible assets with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

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

Research and Development

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

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

6.3 Investment Property

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

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

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

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

The fair values of investment property is disclosed in the notes. Fair values are determined on the basis of valuation done by registered valuer.

Impairment on non-financial assets

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

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

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

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

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

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

- An intangible asset that is not yet available for use; and
- An intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

6.4 Non-current assets classified as held for sale

Assets are classified as held for sale and stated at the lower of carrying amount and fair value less costs to sell if the asset is available for immediate sale and its sale is highly probable. Such assets or group of assets are presented separately in the Balance Sheet as "Assets Classified as Held for Sale". Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

6.5 Financial Instruments

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

Financial Assets:

Classification:

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

Initial recognition and measurement:

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

Subsequent measurement:

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

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

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

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

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

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

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

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

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

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Investment in Subsidiary:

Investment in equity instruments of Subsidiaries are measured at cost. In the financial statements, investment in subsidiaries is carried at cost. The carrying amount is reduced to recognise any impairment in the value of investment.

Investment in Equity Instruments:

Equity instruments which are held for trading are classified as at FVTPL. Fair value changes on the instrument, excluding dividends, are recognised in profit or loss.

Investment in Debt Instruments:

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

Derecognition of Financial Assets:

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

Impairment of Financial Assets:

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

Financial Liabilities:

Classification:

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

Initial recognition and measurement:

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

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

Subsequent measurement:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Interest-bearing loans and borrowings are subsequently measured at amortised

cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition of Financial Liabilities:

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

Derivative Financial Instrument:

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

6.6 Inventories

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

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

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

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for the year ended 31 March 2023

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

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

Consumables and other materials procured for R&D purpose are charged off when acquired.

6.7 Cash and Cash Equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

6.8 Cash Flow Statement

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

6.9 Foreign Currency Transactions

Transactions in foreign currencies are translated into the Company's functional currency at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are not translated. Foreign currency exchange differences are generally recognised in the statement of profit and loss.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous

Financial Statements are recognised in the Standalone Statement of Profit and Loss in the period in which they arise. When a gain or loss on a non-monetary item is recognised in Other Comprehensive Income, any exchange component of that gain or loss is recognised in Other Comprehensive Income. Conversely, when a gain or loss on a non-monetary item is recognised in Standalone Statement of Profit and Loss, any exchange component of that gain or loss is recognised in Standalone Statement of Profit and Loss.

6.10 Revenue Recognition

Sale of Goods

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

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

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

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

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

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

Interest income

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

Dividend income

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

Income from Export Benefits and Other Incentives

Export benefits available under prevalent schemes are accrued as revenue in the year in which the goods are exported and/or services are rendered only when their

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

reasonable assurance that the conditions attached to them will be complied with, and the amounts will be received. Export benefit receivables are carried at net realisable value.

6.11 Employee Benefits

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

(i) Defined benefit plans

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

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

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

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

(ii) Defined contribution plans

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

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

(iii) Compensated absences

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

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

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

(iv) Share-based compensation

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

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

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6.12 Borrowing Costs

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

6.13 Leases

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

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

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable

amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

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

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

In respect of assets given on operating lease, lease rentals are accounted in the Statement of Profit and Loss, on accrual basis in accordance with the respective lease agreements.

6.14 Government Grants

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

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

6.15 Earnings Per Share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that

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could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

6.16 Income Taxes

Income tax expense comprises current and deferred income tax.

Current tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted by the balance sheet date. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

6.17 Dividends to Shareholders

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend

paid is recognised on approval by Board of Directors. Dividend payable is recognised directly in equity.

6.18 Provisions, Contingent Liabilities, Contingent Assets and Commitments

General

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

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

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

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

Contingent liability is disclosed in the case of:

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

Contingent liabilities are not recognised but disclosed in the standalone financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

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

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

6.19 Fair value measurement

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

Notes to the Standalone Financial Statements

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

Derivative financial instruments (mainly forward currency contracts) are measured at fair value received from Bank.

Mutual Funds are measured at fair values as per Net Asset Value (NAV).

Employee Stock Option Plan (ESOP) at fair values as per Black Scholes option pricing model.

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

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

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

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

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

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

7. RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

The Company will evaluate these amendments to give effect as required by law.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

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

8.1 Current year

Particulars	Gross block (Cost or deemed cost)				Accumulated depreciation/amortisation				Net block	
	As at 1 April 2022	Additions	Disposals	As at 31 March 2023	As at 1 April 2022	For the year	Disposals	As at 31 March 2023	As at 31 March 2023	As at 31 March 2023
(A) Property, plant and equipment										
Freehold land	155.55	-	-	155.55	-	-	-	-	-	155.55
Buildings	579.33	18.87	0.63	597.57	133.85	16.01	0.12	149.74	447.83	447.83
Plant and equipments	979.45	52.14	4.56	1,027.03	323.26	68.96	3.42	388.80	638.23	638.23
Laboratory equipment	178.08	18.70	0.61	196.17	76.65	16.64	0.39	92.90	103.27	103.27
Furniture and fixtures	83.88	6.40	0.11	90.17	48.72	5.49	0.04	54.17	36.00	36.00
Vehicles	3.37	-	-	3.37	2.05	0.24	-	2.29	1.08	1.08
Office equipments	23.59	2.31	0.23	25.67	16.58	2.20	0.22	18.56	7.11	7.11
Computers	28.17	6.94	0.93	34.18	20.09	4.17	0.85	23.41	10.77	10.77
Total	2,031.42	105.36	7.07	2,129.71	621.20	113.71	5.04	729.87	1,399.84	1,399.84
(B) Other intangible assets										
Computer Software	23.89	2.11	-	26.00	18.07	3.05	-	21.12	4.88	4.88
Total	23.89	2.11	-	26.00	18.07	3.05	-	21.12	4.88	4.88
Total (A) + (B)	2,055.31	* 107.47	7.07	2,155.71	639.27	116.76	5.04	750.99	1,404.72	1,404.72
(C) Investment Properties**	10.93	-	10.93	-	2.52	0.49	3.01	-	-	-
(D) Capital work-in-progress #	152.86	164.08	107.47	209.47	-	-	-	-	209.47	209.47
Total (A) + (B) + (C) + (D)										1,614.19

* Addition includes ₹ 18.20 Crore used for Research and Development.

** Investment property classified as held for sale (refer note 21)

Capital work-in-progress ageing

Particulars	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (*)	97.81	51.86	29.37	30.43	209.47

* Project execution plans are assessed on an annual basis and all the projects are executed as per rolling annual plan.

8.2 Previous Year

Particulars	Gross block (Cost or deemed cost)				Accumulated depreciation/amortisation				Net block	
	As at 1 April 2021	Additions	Disposals	As at 31 March 2022	As at 1 April 2021	For the year	Disposals	As at 31 March 2022	As at 31 March 2022	As at 31 March 2022
(A) Property, plant and equipment										
Freehold land	153.75	1.80	-	155.55	-	-	-	-	-	155.55
Buildings	559.89	19.44	-	579.33	118.07	15.78	-	133.85	445.48	445.48
Plant and equipments	932.70	59.39	12.64	979.45	267.64	64.04	8.42	323.26	656.19	656.19
Laboratory equipment	158.14	20.09	0.15	178.08	61.65	15.08	0.08	76.65	101.43	101.43
Furniture and fixtures	82.78	2.80	1.70	83.88	44.89	5.30	1.47	48.72	35.16	35.16
Vehicles	3.70	0.26	0.59	3.37	2.30	0.26	0.51	2.05	1.32	1.32
Office equipments	21.93	1.94	0.28	23.59	14.12	2.62	0.16	16.58	7.01	7.01
Computers	30.05	3.08	4.96	28.17	20.73	4.07	4.71	20.09	8.07	8.07
Total	1,942.94	108.80	20.32	2,031.42	529.41	107.15	15.35	621.20	1,410.21	1,410.21

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

Particulars	Gross block (Cost or deemed cost)				Accumulated depreciation/amortisation				Net block	
	As at 1 April 2021	Additions	Disposals	As at 31 March 2022	As at 1 April 2021	For the year	Disposals	As at 31 March 2022	As at 31 March 2022	As at 31 March 2022
(B) Other Intangible assets										
Computer Software	22.39	1.50	-	23.89	14.87	3.20	-	18.07	5.82	5.82
Total	22.39	1.50	-	23.89	14.87	3.20	-	18.07	5.82	5.82
Total (A) + (B)	1,965.33	* 110.3	20.32	2,055.31	544.28	110.35	15.35	639.27	1,416.03	1,416.03
(C) Investment Properties	10.93	-	-	10.93	2.03	0.49	-	2.52	8.41	8.41
(D) Capital work-in-progress #	108.19	154.97	110.30	152.86	-	-	-	-	152.86	152.86
Total (A) + (B) + (C) + (D)										1,577.30

* Addition includes ₹ 12.19 Crore used for Research and Development.

Capital work-in-progress ageing

Particulars	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (*)	91.75	30.66	4.06	26.39	152.86

* Project execution plans are assessed on an annual basis and all the projects are executed as per rolling annual plan.

RIGHT-OF-USE ASSETS

8.3 Current year

Particulars	Gross block (Cost or deemed cost)				Accumulated depreciation/amortisation				Net block	
	As at 1 April 2022	Additions	Disposals	As at 31 March 2023	As at 1 April 2022	For the year	Disposals	As at 31 March 2023	As at 31 March 2023	As at 31 March 2023
Right-of-use assets										
Leasehold properties	34.35	21.17	27.54	27.98	27.19	8.75	27.48	8.46	19.52	19.52
Leasehold land	62.59	-	-	62.59	1.87	0.95	-	2.82	59.77	59.77
Total	96.94	21.17	27.54	90.57	29.06	9.70	27.48	11.28	79.29	79.29

8.4 Previous year

Particulars	Gross block (Cost or deemed cost)				Accumulated depreciation/amortisation				Net block	
	As at 1 April 2021	Additions	Disposals	As at 31 March 2022	As at 1 April 2021	For the year	Disposals	As at 31 March 2022	As at 31 March 2022	As at 31 March 2022
Right-of-use assets										
Leasehold properties	30.73	4.89	1.27	34.35	19.31	9.15	1.27	27.19	7.16	7.16
Leasehold land	79.55	1.56	18.52	62.59	2.13	0.97	1.23	1.87	60.72	60.72
Total	110.28	6.45	19.79	96.94	21.44	10.12	2.50	29.06	67.88	67.88

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

9. INVESTMENTS (NON-CURRENT)

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Unquoted (At cost)		
Investment in equity instruments		
In Subsidiary Companies		
Ajanta Pharma (Mauritius) Ltd.		
613,791 (31 March 2022 613,791) Ordinary Shares of Mauritian Rupees 100 each fully paid up	9.44	9.44
Ajanta Pharma USA Inc.		
10,000 (31 March 2022 10,000) Common Stock of USD 100 each fully paid up	7.07	7.07
Ajanta Pharma Philippines Inc.		
2,000,000 (31 March 2022 2,000,000) Ordinary Shares of Philippines Peso 100 each fully paid up	1.38	1.38
Ajanta Pharma Nigeria Limited		
60,000,000 (31 March 2022 60,000,000) Ordinary Shares of Nigerian Naira 1 each fully paid up	1.37	1.37
Less: Impairment in the value of investments (Refer note 61)	(1.37)	(1.37)
In Joint Venture		
Turkmenderman Ajanta Pharma Ltd.		
200,000 (31 March 2022 200,000) Shares of USD 10 each fully paid-up	-	-
Less: Impairment in the value of investments *	-	-
In Others at fair value		
OPGS Power Gujarat Private Limited		
195,000 (31 March 2022 195,000) Shares of ₹ 0.19 each (Current Year ₹ 37,050, 31 March 2022 ₹ 37,050)	0.00	0.00
In Membership Share in LLP (at Fair Value through Profit or Loss)		
ABCD Technologies LLP (Percentage share 4.03%)	25.10	25.10
	42.99	42.99
Aggregate value of unquoted investments	51.31	51.31
Aggregate value of unquoted investments (net of impairment)	42.99	42.99
Aggregate market value of quoted investments	-	-
Aggregate amount of impairment in value of non-current investment	8.32	8.32

* The Company has made full provision for investment in aggregate value of unquoted investments in Turkmenderman Ajanta Pharma Limited in year 2014-15 and the carrying value of investment is considered as Nil.

10. OTHER NON-CURRENT FINANCIAL ASSETS

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good unless otherwise stated		
Security Deposits	6.14	5.96
Financial asset at amortised cost	3.90	4.32
In deposit accounts with banks with maturity of more than 12 months from the balance sheet date		
- Under lien	0.84	1.46
Interest accrued on fixed deposits with Banks	0.11	0.10
Total	10.99	11.84

11. NON-CURRENT TAX ASSETS (NET)

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Income tax paid (net of provision ₹ 122.40 Crore 31 March 2023 and ₹ 196.72 Crore 31 March 2022)	0.83	17.01
Total	0.83	17.01

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

12. OTHER NON-CURRENT ASSETS

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
(Unsecured, considered good unless otherwise stated)		
Capital advances	4.77	5.72
VAT receivable	0.02	0.22
Octroi refund receivable	0.52	0.52
Total	5.31	6.46

13. INVENTORIES

(At lower of cost and net realisable value)

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Raw materials	264.40	240.05
Packing materials	51.71	49.39
Work-in-progress	52.46	46.50
Finished goods (including in transit ₹ 90.06 Crore, 31 March 2022 ₹ 82.79 Crore)	278.59	260.65
Stock-in-trade (including in transit ₹ 3.49 Crore, 31 March 2022 ₹ 1.69 Crore)	36.61	38.52
Total	683.77	635.11

During the year, the Company recorded inventory write downs of ₹ 4.42 Crore (31 March 2022 ₹ 7.35 Crore). These adjustments were included in cost of material consumed and changes in inventories.

14. CURRENT INVESTMENTS

(Fair value through statement of profit or loss)

Particulars	Face Value ₹	No. of Units *	₹ in Crore	
			As at 31 March 2023	As at 31 March 2022
Investments in mutual funds				
Quoted				
UTI Liquid Cash Plan Direct Growth	10	53,314	19.67	-
		(-)		
NIPPON INDIA LIQUID FUND – DIRECT PLAN GROWTH PLAN	10	91,011	50.13	-
		(-)		
TATA LIQUID FUND – DIRECT GROWTH PLAN	10	141,258	50.17	-
		(-)		
Mirae Asset Cash Management Fund-Direct Plan Growth	10	223,594	53.14	-
		(-)		
TRUSTMF Money Market Fund Direct Plan Growth	10	49,998	5.21	-
		(-)		
Investments in Non-Convertible Debentures				
Quoted				
Navi Finserv Limited 9.1792 LOA 05Ap23 FVRS10LAC	1,000,000	261	26.10	-
		(-)		
Navi Finserv Limited 9.15 NCD 10MY23 FVRS10LAC	1,000,000	100	9.99	-
		(-)		
11.70% Svatanttra Micro Finance 2023	1,000,000	50	5.08	-
		(-)		
11.55% CLIX Capital Services Private Ltd. 25 May 2023	1,000,000	50	5.01	-
		(-)		

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

Particulars	Face Value ₹	No. of Units *	₹ in Crore	
			As at 31 March 2023	As at 31 March 2022
Investments in Market Linked Non-Convertible Debentures				
Quoted				
Shriram Transport Finance Company Limited SR PPML Y-01 BR NCD 02DC22 FVRS10 Lakh	1,000,000	-	-	11.49
		(100)		
Muthoot Fincorp Limited SR VI BR NCD 04AP23 FVRS10 Lakh	1,000,000	-	-	33.08
		(300)		
SK Finance Limited BR NCD 26MY24 FVRS10 LAC	1,000,000	250	26.43	-
		(-)		
0.00% Piramal Enterprises Limited 2024 (NC MLD)	1,000,000	70	7.20	-
		(-)		
Vivriti Capital Pvt. Ltd. Vivcap 0 04/05/24	1,000,000	50	5.33	-
		(-)		
Incred Fin Services Ltd. Vilfin 0 04/22/24	1,000,000	50	5.79	-
		(-)		
0% Muthoot Microfin Limited 27 January 2024	1,000,000	500	53.30	-
		(-)		
9.45% Ugro Capital Ltd. BR NCD 23JAN24 FVRS10LAC	1,000,000	150	15.82	-
		(-)		
Krazybee Services Private Ltd. SR 2 BR NCD 28JN24	1,000,000	100	10.46	-
		(-)		
Muthoot Capital Services Limited ML NCD	1,000,000	150	15.09	-
		(-)		
Shriram Transport Finance Company Limited SR PPML Y 02 BR NCD 27AP23 FVRS10 Lakh	1,000,000	-	-	16.72
		(150)		
Muthoot Fincorp Ltd. SR VIII BR NCD 22MR23 FVRS10 Lakh	1,000,000	-	-	5.51
		(50)		
Shriram City Union Finance Ltd. SR XXIII TR1 BR NCD 17MY23 FVRS10 Lakh	1,000,000	-	-	13.15
		(120)		
Shriram Transport Finance Co. Ltd. SR 03 BR NCD 18NV23 FVRS10 Lakh	1,000,000	-	-	16.54
		(150)		
Muthoot Fincorp Ltd. SR VII BR NCD 16MR24 FVRS10 Lakh	1,000,000	-	-	25.37
		(230)		
Fullerton India Credit Co. Ltd. SR 4 BR NCD 24JN25	100,000	2,194	22.14	-
		(-)		
Investments in Commercial Paper				
Unquoted				
Clix Capital Services Private Ltd. 142D CP 05AP23	500,000	311	14.98	-
		(-)		
NUVAMA WEALTH MANAGEMENT LIMITED (Commercial Paper)	500,000	1,000	49.58	-
		(-)		
NUVAMA WEALTH & INVESTMENT LTD. CP	500,000	800	39.74	-
		(-)		
Time Technoplast Limited – Commercial Paper	500,000	400	19.91	-
		(-)		
			510.27	121.86
Aggregate book value of quoted investments			386.06	121.86
Aggregate market value of quoted investments			386.06	121.86
Aggregate book value of unquoted investments (net of impairment)			124.21	-
Aggregate amount of impairment in value of investments			-	-

* Figures in Brackets are for 31 March 2022

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

15. TRADE RECEIVABLES

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good unless otherwise stated		
Trade receivables considered good	977.63	1,043.62
Trade receivables which have significant increase in credit risk	2.82	3.12
Trade receivables credit impaired	8.22	11.62
	988.67	1,058.36
Less: Loss allowance	(11.04)	(14.74)
Total Trade receivables	977.63	1,043.62
Break-up of security details		
(i) Trade receivables considered good – Secured	-	-
(ii) Trade receivables considered good – Unsecured	977.63	1,043.62
(iii) Trade receivables which have significant increase in credit risk	2.82	3.12
(iv) Trade receivables – credit impaired	8.22	11.62
Total	988.67	1,058.36
Less: Loss allowance	(11.04)	(14.74)
Total Trade receivables	977.63	1,043.62
Of the above, trade receivables from related parties are as below:		
Trade Receivable due from related parties	634.66	745.73
Less: Loss allowance	0.52	6.50
Net Trade receivables	634.14	739.23

For details of trade receivable owing from related parties, refer note 53

Ageing schedule for trade receivables as at 31 March 2023

Particulars	₹ in Crore						Total
	Not Due	Less than 6 months	6 months -1 year	1 -2 year	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	779.65	194.09	1.49	2.40	-	-	977.63
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	0.80	0.59	6.50	0.06	0.27	8.22
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	2.82	2.82
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	779.65	194.89	2.08	8.90	0.06	3.09	988.67
Less – Loss Allowance							(11.04)
Total Trade Receivables							977.63

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

Ageing schedule for trade receivables as at 31 March 2022

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1 -2 year	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	613.38	388.47	39.76	2.01	-	-	1,043.62
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	7.24	0.64	3.01	0.05	0.68	11.62
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	3.12	3.12
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	613.38	395.71	40.40	5.02	0.05	3.80	1,058.36
Less – Loss Allowance							(14.74)
Total Trade Receivables							1,043.62

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

There are no other trade receivables which have significant increase in credit risk, refer note 48 B for information about credit risk and market risk of trade receivables.

The loss allowance on trade receivable has been computed on the basis of Ind AS 109, Financial Instruments which require such allowance to be made even for trade receivable considered good on the basis that credit risk exists even though it may be very low. The Company exposure to credit and currency risk and loss allowance related to trade receivable are disclosed in note 48 B.

16. CASH AND CASH EQUIVALENTS

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents (as per Ind AS 7 – "Statement of cash flows")		
Bank Balances		
- In Current Accounts	37.19	22.69
- In EEFC Accounts	185.16	117.13
In Deposit Accounts (with original maturity of 3 months or less)		
- Under Lien	46.50	-
Cash on hand	-	0.01
Total	268.85	139.83

17. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Earmarked balances with banks		
- Unpaid dividend	0.82	0.91
- Unpaid Sale Proceeds of Fractional Shares (31 March 2023 ₹ 25,289 and 31 March 2022 Nil)	0.00	-
In deposit accounts (with original maturity of more than 3 months but expected to mature within 12 months from balance sheet date)		
- Under lien	0.25	4.51
Total	1.07	5.42

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

18. LOANS

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good unless otherwise stated		
Advance to employees	14.93	3.47
Loans to employees	2.08	2.67
Total	17.01	6.14

19. OTHER CURRENT FINANCIAL ASSETS

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Interest receivable	2.48	0.58
Forward exchange contracts used for hedging	-	17.09
Insurance receivable	-	0.01
Total	2.48	17.68

20. OTHER CURRENT ASSETS

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Advances other than capital advances		
Advance to vendors		
- considered good	20.99	20.99
Prepaid expenses	12.91	10.59
Other advances recoverable	4.85	10.32
Balance with Statutory/Govt. Authorities		
- GST receivable	40.26	39.68
- Custom duty receivable	0.01	4.26
Export benefits receivable	3.17	1.51
Total	82.19	87.35

21. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Investment properties held for sale (Refer note 62)	7.92	-
Total	7.92	-

22. EQUITY SHARE CAPITAL

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of Shares	₹ in Crore	Number of Shares	₹ in Crore
Authorised				
Equity shares of ₹ 2 each	150,000,000	30.00	150,000,000	30.00
Issued, subscribed and paid up:				
Issued, subscribed and fully paid up Equity Shares of ₹ 2 each	125,914,655	25.18	85,415,770	17.08
Add: Shares Forfeited	766,500	0.09	766,500	0.09
Total	126,681,155	25.27	86,182,270	17.17

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

22.1 Movement in equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of Shares	₹ in Crore	Number of Shares	₹ in Crore
Equity shares outstanding at the beginning of the year	85,415,770	17.08	86,531,770	17.30
Add: Equity shares allotted during the year against option's exercised under employee stock option plan	1,000	0.00*	4,000	0.00#
Less: Equity Shares extinguished on buyback of shares (Refer note 22.8)	(2,210,500)	(0.44)	(1,120,000)	(0.22)
Add: Equity shares allotted during the year as Bonus @	42,707,885	8.54	-	-
Add: Equity shares allotted during the year as Bonus on ESOP (Current Year 500, Previous Year: Nil)	500	0.00**	-	-
Less: Equity shares bought back during the year	-	-	-	-
Equity Shares outstanding at the end of the year	125,914,655	25.18	85,415,770	17.08

* ₹ 2,000 ** ₹ 1,000 # ₹ 8,000

@ The Company has allotted the bonus shares at 1:2 ratio in its Board Meeting held on 24 June 2022. Accordingly, the number of shares increased from 85,416,770 to 128,125,155. The paid-up capital on account of Bonus issue of ₹ 2.62 Crore has been appropriated from Capital Redemption Reserve, ₹ 0.18 Crore has been appropriated from Securities Premium and ₹ 5.73 Crore has been appropriated from General Reserve.

22.2 Rights attached to equity shares

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

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

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Interim and final equity dividend were declared and paid for financial year 2021-22 at ₹ 9.50 per equity share	-	82.21
Interim and final equity dividend were declared and paid for financial year 2022-23 at ₹ 7.00 per equity share	89.69	-
Total	89.69	82.21

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

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

22.3 Details of shareholders holding more than 5% equity shares

Name of Shareholders	As at 31 March 2023		As at 31 March 2022	
	Number of Shares	% holding	Number of Shares	% holding
Yogesh M. Agrawal, Trustee Yogesh Agrawal Trust	18,233,038	14.48	12,380,262	14.49
Rajesh M. Agrawal, Trustee Rajesh Agrawal Trust	18,233,039	14.48	12,380,262	14.49
Ravi P. Agrawal, trustee Ravi Agrawal Trust	16,386,623	13.01	12,276,207	14.37
Aayush M. Agrawal, trustee Aayush Agrawal Trust	14,237,664	11.31	12,261,811	14.36
Gabs Investments Private Limited	12,588,393	10.00	8,392,262	9.83

22.4 Equity shares reserved for issuance under Employee Stock Options Scheme 2011 of the Company

Particulars	As at 31 March 2023	As at 31 March 2022
	Number of Shares	Number of Shares
Equity shares	1,127,250	1,127,250

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

22.5 Equity shares reserved for issuance under Share based Incentive Plan 2019 of the Company

Particulars	As at 31 March 2023	As at 31 March 2022
	Number of Shares	Number of Shares
Equity shares	495,000	496,500

22.6 Aggregate number of equity shares issued during last five years pursuant to Employee Stock Options Scheme 2011 & Share based Incentive Plan 2019

Particulars	As at 31 March 2023	As at 31 March 2022
	Number of Shares	Number of Shares
Equity shares	203,000	201,500

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

Particulars	As at 31 March 2023	As at 31 March 2022
	Number of Shares	Number of Shares
Bonus Shares on allotment of ESOP in FY 2022-23	500	-
Bonus Shares issued in FY 2022-23	42,707,885	-

22.8 Equity shares extinguished on buy-back

Current year

The Board of Directors of the Company, at its meeting held on 10 March 2023 has approved the proposal of Buy-back of 2,210,500 fully paid-up equity shares of the Company of face value of ₹ 2 each at a price of ₹ 1,425/- per equity share, on a proportionate basis, for an aggregate amount not exceeding ₹ 315.00 Crore through the tender offer process ("Buyback"), in accordance with the provisions of the Companies Act, 2013, and rules made thereunder, and the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (the "SEBI Buyback Regulations"). The buyback issue opened on 31 March 2023 and closed on 10 April 2023. The Company has taken the impact of buyback in current financial year and for this Company has utilised its General Reserve (₹ 315.00 Crore) for the buyback of its equity shares. Total transaction cost of ₹ 1.44 Crore incurred towards buyback and tax of ₹ 73.28 Crore was offset from retained earnings. In accordance with Section 69 of the Companies Act, 2013, the Company has created Capital Redemption Reserve of ₹ 0.44 Crore equal to the nominal value of the shares bought back as an appropriation from the General Reserve.

Previous years

The Board of Directors of the Company, at its meeting held on 28 December 2021 had approved a proposal to buyback up to 1,120,000 equity shares of the Company for an aggregate amount not exceeding ₹ 285.60 Crore being 1.29% of the total paid up equity share capital at ₹ 2,550 per equity share. A Letter of Offer was made to all eligible shareholders. The Company bought back 1,120,000 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares bought back on 28 February 2022. The Company has utilised its Securities Premium (₹ 0.54 Crore) and General Reserve (₹ 285.06 Crore) for the buyback of its equity shares. Total transaction cost of ₹ 2.02 Crore incurred towards buyback and tax of ₹ 66.48 Crore was offset from retained earnings. In accordance with Section 69 of the Companies Act, 2013, the Company has created Capital Redemption Reserve of ₹ 0.22 Crore equal to the nominal value of the shares bought back as an appropriation from the General Reserve.

The Company bought back 735,000 equity shares for an aggregate amount not exceeding of ₹ 136 Crore being 0.84% of the total paid up equity share capital at ₹ 1,850 per equity share. The equity shares bought back were extinguished on 30 December 2020.

The Company bought back 769,230 equity shares for an aggregate amount not exceeding of ₹ 100 Crore being 0.87% of the total paid up equity share capital at ₹ 1,300 per equity share. The equity shares bought back were extinguished on 26 March 2019.

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for the year ended 31 March 2023

22.9 Details of equity shares held by promoters at the end of the year

Name of Promoter	As at 31 March 2023			As at 31 March 2022		
	Number of Shares	% of total shares	% Change during the year	Number of Shares	% of total shares	% Change during the year
Yogesh M. Agrawal, trustee Yogesh Agrawal Trust	18,233,038	14.48	47.28	12,380,262	14.49	(1.22)
Rajesh M. Agrawal, trustee Rajesh Agrawal Trust	18,233,039	14.48	47.28	12,380,262	14.49	(1.22)
Ravi P. Agrawal, trustee Ravi Agrawal Trust	16,386,623	13.01	33.48	12,276,207	14.37	(1.26)
Aayush M. Agrawal, trustee Aayush Agrawal Trust	14,237,664	11.31	16.11	12,261,811	14.36	(1.30)
Gabs Investments Private Limited	12,588,393	10.00	50.00	8,392,262	9.83	-
Ganga Exports being represented by Mr. Yogesh M. Agrawal, Mr. Rajesh M. Agrawal & Mr. Ravi P. Agrawal	3,379,297	2.68	46.94	2,299,852	2.69	(1.90)
Ravi P. Agrawal	285,000	0.23	50.00	190,000	0.22	-
Aayush M. Agrawal	30,000	0.02	50.00	20,000	0.02	-

23. OTHER EQUITY

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Capital redemption reserve		
Balance at the beginning of the year	2.62	2.40
Add: amount transferred upon buyback of shares	0.44	0.22
Less: utilised for allotment of bonus shares	(2.62)	-
Balance as at the year end	0.44	2.62
Securities premium		
Balance at the beginning of the year	-	-
Add: addition during the year	0.18	0.54
Less: utilisation for buyback of shares	-	(0.54)
Less: utilised for allotment of bonus shares	(0.18)	-
Balance as at the year end	-	-
General reserve		
Balance at the beginning of the year	460.21	745.27
Less: utilised for buyback of shares	(315.00)	(285.06)
Less: utilised for allotment of bonus shares	(5.73)	-
Balance as at the year end	139.48	460.21
Employee stock options outstanding account		
Balance at the beginning of the year	0.30	0.55
Add: share-based payment expense	0.22	0.30
Less: exercised during the year	(0.18)	(0.55)
Balance as at the year end	0.34	0.30
Other items of other comprehensive income (Re-measurement gains (losses) on defined benefit plans)		
Balance at the beginning of the year	(6.10)	(6.46)
Add: amount transferred	(2.27)	0.36
Balance as at the year end	(8.37)	(6.10)
Retained earnings		
Balance at the beginning of the year	2,694.98	2,125.83
Profit for the year	558.72	719.86
Less: Appropriations		
- Interim dividend on equity shares	(89.69)	(82.21)
- Expense relating to buyback of shares	(1.44)	(2.02)
- Tax on buyback of shares	(73.28)	(66.48)
Balance at the year end	3,089.29	2,694.98
Total	3,221.18	3,152.01

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

24. LEASE LIABILITIES

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Lease liabilities	24.95	16.33
Total	24.95	16.33

25. OTHER NON-CURRENT FINANCIAL LIABILITIES

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Security deposits payable	1.01	1.09
Total	1.01	1.09

26. PROVISIONS (NON-CURRENT)

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits (net)		
Gratuity (Refer note 46.2)	2.32	-
Compensated absences (Refer note 46.3)	21.83	19.32
Total	24.15	19.32

27. DEFERRED TAX LIABILITIES (NET)

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Tax effect of items constituting – Deferred tax liabilities		
Difference in tax base of property, plant and equipment (A)	132.02	126.89
Unrealised gain/loss on securities carried at FVOCI/FVTPL (B)	(0.80)	3.13
Tax effect of items constituting – Deferred tax assets		
MAT credit entitlement (C)	2.98	-
Disallowance under income tax (D)	30.52	28.15
Deferred tax liabilities (net) (A+B-C-D)	97.72	101.87

28. OTHER NON-CURRENT LIABILITIES

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Deferred government grant	2.67	3.00
Total	2.67	3.00

29. LEASE LIABILITIES

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Lease liabilities	7.95	4.16
Total	7.95	4.16

30. TRADE PAYABLES

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises	37.94	27.98
Total outstanding dues of creditors other than micro enterprises and small enterprises	315.08	246.39
Total	353.02	274.37

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

The following is ageing schedule for Trade payables as at 31 March 2023

Particulars	₹ in Crore						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	37.94	-	-	-	-	37.94
(ii) Others	11.93	267.22	35.86	0.07	-	-	315.08
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	11.93	305.16	35.86	0.07	-	-	353.02

The following is ageing schedule for Trade payables as at 31 March 2022

Particulars	₹ in Crore						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	27.98	-	-	-	-	27.98
(ii) Others	0.07	229.96	16.36	-	-	-	246.39
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	0.07	257.94	16.36	-	-	-	274.37

(Refer note 57 for disclosures relating to Micro and Small Enterprises)

31. OTHER CURRENT FINANCIAL LIABILITIES

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Unpaid dividend*	0.82	0.91
Unpaid sale proceeds of fractional shares* (31 March 2023 ₹ 15,291 and 31 March 2022 Nil)	0.00	-
Capital creditors	29.82	42.02
Book overdraft	3.84	9.49
Employee benefits payable	8.85	15.00
Provision for return of Expired Goods (Refer note 50.2)	47.80	40.60
Forward exchange contracts used for hedging	18.82	-
Liability on account of share buy back	388.27	-
Total	498.22	108.02

*There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at 31 March 2023.

32. OTHER CURRENT LIABILITIES

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Advances from customers	10.01	52.29
Deferred government grant	0.33	0.33
Statutory dues payable	12.81	11.79
Total	23.15	64.41

33. PROVISIONS (CURRENT)

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits (net)		
Gratuity (Refer note 46.2)	8.71	6.27
Compensated absences (Refer note 46.3)	5.31	4.53
Total	14.02	10.80

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

34. CURRENT TAX LIABILITIES (NET)

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Provision for tax (net of income tax assets)	11.48	7.94
Total	11.48	7.94

35. REVENUE FROM OPERATIONS

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products (Refer note 50)		
Finished goods	2,993.23	2,793.01
Stock-in-trade	382.92	290.77
Other operating revenues		
Export incentives	14.85	44.74
Others	20.27	12.12
Total	3,411.27	3,140.64

36. OTHER INCOME

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
Dividend from subsidiary companies	35.14	22.33
Income from financial assets carried at FVTPL		
Gain on sale/redemption of Current Investments	17.12	3.07
Gain on investment at FVTPL	-	9.07
Gain on financial instrument at FVTPL	-	17.09
Bad debts written back, allowance for doubtful trade receivables (net)	0.84	-
Income on financial assets carried at amortised cost		
Interest on deposits with banks	0.52	1.01
Interest from others (includes interest on income tax refund)	7.92	13.62
Exchange difference (Net)	68.48	58.85
Miscellaneous income	2.73	14.69
Total	132.75	139.73

37. COST OF MATERIALS CONSUMED

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
Raw material consumed	697.27	619.58
Packing material consumed	181.09	153.46
Total	878.36	773.04

38. PURCHASES OF STOCK-IN-TRADE

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
Purchases of stock-in-trade	149.04	116.12
Total	149.04	116.12

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for the year ended 31 March 2023

39. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
Inventories at the beginning of the year:		
Finished goods	260.65	215.55
Work-in-progress	46.50	47.80
Stock-in-trade	38.52	25.72
Total (A)	345.67	289.07
Inventories at the end of the year:		
Finished goods	278.59	260.65
Work-in-progress	52.46	46.50
Stock-in-trade	36.61	38.52
Total (B)	367.66	345.67
Changes in inventories:		
Finished goods	(17.94)	(45.10)
Work-in-progress	(5.96)	1.30
Stock-in-trade	1.91	(12.80)
Total (A) – (B)	(21.99)	(56.60)

40. EMPLOYEE BENEFITS EXPENSE

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	672.76	542.74
Contribution to provident and other funds	30.52	27.67
Gratuity expense (Refer note 46)	7.76	7.07
Share based payment expense (Refer note 47)	0.22	0.30
Staff welfare expenses	9.15	8.09
Total	720.41	585.87

41. FINANCE COST

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
Interest expenses	5.23	9.12
Total	5.23	9.12

42. DEPRECIATION AND AMORTISATION EXPENSE (REFER NOTE 8)

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation on property, plant and equipment	113.71	107.15
Amortisation on intangible assets	3.05	3.20
Depreciation on right-of-use assets	9.70	10.12
Depreciation on investment property	0.49	0.49
Total	126.95	120.96

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

43. OTHER EXPENSES

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
Selling expenses	185.20	180.05
Clearing and forwarding	164.65	131.75
Medical literature expenses	15.58	6.44
Field Travelling Expenses	38.92	31.97
Consultancy charges	44.90	40.56
Travelling expenses	72.52	51.01
Processing charges	13.59	14.72
Power and fuel	65.53	54.09
Advertisement and publicity	5.02	4.78
Consumption of stores and spare parts	66.33	54.45
Rent (Refer note 51)	6.04	5.36
Rates and taxes	1.62	1.67
Legal and professional fees	39.19	27.12
Postage, telephone and stationery expenses	8.21	7.12
Repairs and maintenance		
- Buildings	5.30	5.25
- Plant and machinery	41.85	35.80
- Computers and others	12.53	10.23
Insurance	13.31	12.90
Donation (includes electoral bond of ₹ 4 Crore, previous year ₹ nil)	4.79	0.86
Bad debts written off, allowance for doubtful trade receivables (net)	-	3.69
Directors sitting fees	0.32	0.27
Clinical and analytical charges	55.55	44.89
Loss on sale/discard of property, plant and equipment (net)	1.52	3.87
Product registration expenses	45.90	49.50
Corporate social responsibility expenses (Refer note 54)	16.37	13.13
Commission to directors	6.72	10.61
Loss on Investment At FVTPL	2.30	-
Loss on financial instrument at FVTPL	18.82	-
Miscellaneous expenses	33.59	29.23
Total	986.17	831.32

44. CAPITAL MANAGEMENT

Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return (EBIT) on capital, as well as the level of dividends to equity shareholders. The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

45. BASIC AND DILUTED EARNINGS PER SHARE IS CALCULATED AS UNDER:

The numerator and denominator used to calculate basic and diluted earnings per share:

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
Profit attributable to equity shareholders for Basic EPS (₹ in Crore)	(A)	558.72	719.86
Add: Dilutive effect on profit (₹ in Crore)	(B)	-	-
Profit attributable to equity shareholders for Diluted EPS (₹ in Crore)	(C=A+B)	558.72	719.86
Weighted average number of equity shares outstanding for Basic EPS	(D)	128,118,877	129,658,060
Add: Dilutive effect of option outstanding number of equity shares *	(E)	3,994	3,496
Weighted average number of equity shares for Diluted EPS	(F=D+E)	128,122,871	129,661,556
Face value per equity share (₹)		2	2
Basic earnings per share (₹) **	(A/D)	43.61	55.52
Diluted earnings per share (₹) **	(C/F)	43.61	55.52

* On account of Employee Stock Option Scheme 2011 (ESOS) and Share based Incentive Plan 2019 -(Refer note 47).

** Earning per share has been computed after given effect of the share buyback

46. EMPLOYEE BENEFITS

As required by Ind AS 19 'Employee Benefits' the disclosures are as under:

46.1 Defined contribution plans

The Company offers its employee's defined contribution plans in the form of provident fund (PF) and Employees' pension scheme (EPS) with the government, and certain state plans such as Employees' State Insurance (ESI). PF and EPS cover substantially all regular employees and the ESI covers certain employees. Contributions are made to the Government's administered funds. While both the employees and the Company pay predetermined contributions into the Provident Fund and the ESI Scheme, contributions into the Pension fund is made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. The Company does not have any liability beyond depositing these amounts in to the government administered fund. During the year, the Company has made the following contributions:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Provident fund and employee's pension scheme	29.75	26.89
Employees state insurance and others	0.77	0.78
Total	30.52	27.67

46.2 Defined benefit plans

Gratuity:

The Company makes annual contributions to Employees' Group Gratuity-cum Life Assurance (Cash Accumulation) Scheme of LIC, a funded defined benefit plan for qualifying employees. The Companies scheme provides for payment to vested employees as under:

On normal retirement/ early retirement/ withdrawal/ resignation:

As per the provisions of Payments of Gratuity Act, 1972 with vesting period of 5 years of service with a maximum limit of ₹ 0.20 Crore.

On the death in service:

As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2023. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at the Balance Sheet date:

Particulars	31 March 2023	31 March 2022
₹ in Crore		
i) Changes in Defined Benefit Obligation		
Opening defined benefit obligation	48.19	43.51
Current service cost	7.59	6.79
Interest cost	2.99	2.47
Actuarial loss/(gain)		
- changes in financial assumptions	(1.53)	(1.25)
- changes in demographic assumptions	-	-
- experience adjustments	5.21	1.23
Past service cost	-	-
Benefit (paid)	(3.67)	(4.56)
Closing defined benefit obligation	58.78	48.19
ii) Changes in Value of Plan Assets		
Opening value of plan assets	41.92	35.63
Interest Income	2.82	2.19
Return on plan assets excluding amounts included in Interest Income	0.18	0.53
Contributions by employer	6.49	8.13
Benefits (paid)	(3.66)	(4.56)
Closing value of plan assets	47.75	41.92
iii) Amount recognised in the Balance Sheet		
Present value of funded obligations as at year end	58.78	48.19
Fair value of the plan assets as at year end	(47.75)	(41.92)
Net liability recognised as at the year end	11.03	6.27
iv) Expenses recognised in the Statement of Profit and Loss		
Current service cost	7.59	6.79
Net Interest cost	0.17	0.28
Net expenses recognised in the Statement of Profit and Loss	7.76	7.07
v) Expenses recognised in the Statement of Other Comprehensive Income		
Net actuarial loss/(gain) recognised in the current year		
- changes in financial assumptions	(1.53)	(1.25)
- change in demographic assumption	-	-
- experience adjustments	5.20	1.23
Return on plan assets excluding amounts included in Interest Income	(0.18)	(0.53)
Net (Expenses)/Income recognised in the Statement of Other Comprehensive Income	3.49	(0.55)
vi) Asset information		
Insurer Managed Funds (100%) (Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available)	100%	100%
vii) Principal actuarial assumptions used		
Discount rate (p.a.)	7.35%	6.80%
Salary growth rate (p.a.)	9.00% for next 1 year and 7.00% thereafter	9.00% for next 1 year and 7.00% thereafter
Weighted average duration of defined benefit obligation (Years)	6.33	6.36
Withdrawal Rate (%)		
Age Band		
25 and below	40%	40%
26 to 35	24%	24%
36 to 45	12%	12%
46 to 55	8%	8%
56 and above	8%	8%
viii) Estimate of amount of contribution in immediate next year	8.72	6.27

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation as shown below.

Particulars	₹ in Crore			
	As at 31 March 2023		As at 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	57.13	60.54	46.78	49.69
Salary growth rate (0.5% movement)	60.28	57.32	49.47	46.94
Withdrawal rate (W.R.) Sensitivity	58.74	58.80	48.00	48.39

Although the analysis does not take into account full distribution of cash flows expected under the plan, it does provide an approximation of sensitivity of assumptions. The estimate of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

46.3 Leave Encashment

The Company's employees are entitled for compensated absences which are allowed to be accumulated and encashed as per the Company's policies. The liability of compensated absences, which is non-funded, has been provided based on report of independent actuary using "Projected Unit Credit Method".

Accordingly, ₹ 27.14 Crore (Previous Year ₹ 23.85 Crore) being liability as at the year-end for compensated absences as per actuarial valuation has been provided in the accounts.

47. SHARE-BASED PAYMENTS

Company has established "Employees Stock Option Scheme 2011" ('ESOS - 2011') and Share based Incentive Plan 2019 as approved in earlier year by the shareholders of the Company and Compensation committee of Board of Directors for key Employees of the Group. The options issued under the above scheme vest in a phased manner.

During the year 2,000 option have been granted by the Company under the Share based Incentive Plan 2019 to the employees of the Company.

Grant Date	No. of Option Granted	No. of Option Cancelled	Exercise price	Vesting Period
10 May 2022	2,000	-	2	10 May 2025 to 10 May 2026

The options are granted at an exercise price which is in accordance with the relevant SEBI guidelines in force, at the time of such grants. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 2/- each.

The particulars of the options under ESOS 2011 and Share based Incentive Plan 2019 are as below:

Particulars	As at 31 March 2023 Nos.	As at 31 March 2022 Nos.
Option outstanding as at the beginning of the year	3,000	4,000
Add: Option granted during the year	2,000	3,000
Less: Option exercised during the year *	1,000	4,000
Less: Option lapsed/cancelled during the year	-	-
Option outstanding as at the year end	4,000	3,000

* In the previous year the options were exercised by employees of subsidiaries.

Particulars	As at 31 March 2023 Nos.	Range of Exercise Prices (₹)	Weighted Average Exercise Prices (₹)	Weighted Average Contractual life (Years)
Options outstanding as at the beginning of the Year	3,000	2.0	2.0	1.08
Add: Options granted during the Year	2,000	2.0	2.0	1.31
Less: Options exercised during the Year	1,000	2.0	2.0	-
Less: Options lapsed/cancelled during the Year	-	-	-	-
Options outstanding as at the Year End	4,000	2.0	2.0	1.60

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for the year ended 31 March 2023

Particulars	As at 31 March 2022 Nos.	Range of Exercise Prices (₹)	Weighted Average Exercise Prices (₹)	Weighted Average Contractual life (Years)
Options outstanding as at the beginning of the Year	4,000	2.0	2.0	0.39
Add: Options granted during the Year	3,000	2.0	2.0	1.08
Less: Options exercised during the Year	4,000	2.0	2.0	-
Less: Options lapsed/cancelled during the Year	-	-	-	-
Options outstanding as at the Year End	3,000	2.0	2.0	1.08

Description of the method and significant assumptions used during the year to estimate the fair values of the options, including the following weighted average information:

Variables	Weighted Average Information									
	ESOS 2011/Share Based Incentive Plan 2019									
Plan	1,000 option	3,000 option	3,000 option	1,500 option	5,000 option	500 option	3,000 option	3,000 option	2,000 option	
Grant date	8 May 2015	26 July 2016	26 July 2016	22 August 2017	31 October 2018	27 September 2019	20 May 2020	30 April 2021	10 May 2022	
Last date for acceptance	8 June 2015	26 August 2016	26 August 2016	22 September 2017	30 November 2018	27 October 2019	19 June 2020	30 May 2021	9 June 2022	
Risk free rate (%)	8.00	7.30	7.30	7.50	7.40	5.20	5.20	4.53	7.06	
Expected Life (years)	1 to 3	3 to 4	1 to 3	1 to 4	2	2	1	1 to 3	3 to 4	
Volatility (%)	31.70	20.23	20.23	17.20	13.43	13.74	14.67	14.57	13.12	
Dividend yield (%)	1.50	0.53	0.53	0.43	0.50	0.55	0.71	0.76	0.68	
Price of the underlying share in the market at the time of option grant	₹ 1,264	₹ 1,478	₹ 1,478	₹ 1,153	₹ 1,058	₹ 1,055	₹ 1,439	₹ 1,842	₹ 1,105	
Fair value of options	₹ 1,189	₹ 1,453	₹ 1,453	₹ 1,142	₹ 1,043	₹ 1,041	₹ 1,425	₹ 1,792	₹ 1,078	
Exercise price	₹ 2	₹ 2	₹ 2	₹ 2	₹ 2	₹ 2	₹ 2	₹ 2	₹ 2	

The particulars of the options under ESOS 2011 and Share based Incentive Plan 2019 granted to Employees of Subsidiary are as below:

Variables	Weighted Average Information						
	ESOS 2011 /Share Based Incentive Plan 2019						
Plan	3,000 option	3,000 option	1,500 option	4,000 option	500 option	3,000 option	
Grant date	26 July 2016	26 July 2016	22 August 2017	31 October 2018	27 September 2019	20 May 2020	
Last date for acceptance	26 August 2016	26 August 2016	22 September 2017	30 November 2018	27 October 2019	19 June 2020	
Risk free rate (%)	7.30	7.30	7.50	7.40	5.20	5.20	
Expected Life (years)	3 to 4	1 to 3	1 to 4	2	2	1	
Volatility (%)	20.23	20.23	17.2	13.43	13.74	14.67	
Dividend yield (%)	0.53	0.53	0.43	0.50	0.55	0.71	
Price of the underlying share in the market at the time of option grant	₹ 1,478	₹ 1,478	₹ 1,153	₹ 1,058	₹ 1,055	₹ 1,439	
Fair value of options	₹ 1,453	₹ 1,453	₹ 1,142	₹ 1,043	₹ 1,041	₹ 1,425	
Exercise price	₹ 2	₹ 2	₹ 2	₹ 2	₹ 2	₹ 2	

Valuation of stock options

The fair value of stock options granted during the period has been measured using the Black-Scholes option pricing model at the date of the grant. The Black-Scholes option pricing model includes assumptions regarding dividend yields, expected volatility, expected terms and risk free interest rates. They key inputs and assumptions used are as follows:

Share price: The closing price on NSE as on the date of grant has been considered for valuing the options granted.

Exercise Price: Exercise Price is the market price or face value or such other price as determined by the Remuneration and Compensation Committee.

Notes to the Standalone Financial Statements

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Expected Volatility: The historical volatility of the stock till the date of grant has been considered to calculate the fair value of the options.

Expected Option Life: Expected Life of option is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised.

Expected dividends: Expected dividend yield has been calculated as an average of dividend yields for four years preceding the date of the grant.

Risk free interest rate: The risk-free interest rate on the date of grant considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the Company's control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in future periods, stock-based compensation expense could be materially impacted in future years. The Company has granted stock options to employees of a subsidiary, the estimated fair value of stock options issued are included in the carrying value of the investment in the said subsidiary on a straight-line basis over the requisite service period of each separately vesting portion of the award.

48. FINANCIAL INSTRUMENT – FAIR VALUES AND RISK MANAGEMENT

A. Fair value measurements

Financial instruments by category	As at 31 March 2023		As at 31 March 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Forward exchange contracts used for hedging	-	-	17.09	-
Investment in subsidiaries	-	17.89	-	17.89
Investment in Limited liability partnership	25.10	-	25.10	-
Investments in Mutual funds/Bonds/NCDs	386.06	124.21	121.86	-
Investment in unquoted equity shares (current year ₹ 37,050, previous year ₹ 37,050)	-	0.00	-	0.00
Trade receivables	-	977.63	-	1,043.62
Other non-current financial assets	-	10.99	-	11.84
Cash and cash equivalents	-	268.85	-	139.83
Bank balances other than cash and cash equivalents	-	1.07	-	5.42
Current loans	-	17.01	-	6.14
Insurance receivable	-	-	-	0.01
Interest receivable	-	2.48	-	0.58
Total financial assets	411.16	1420.13	164.05	1,225.33
Financial liabilities				
Book overdrafts	-	3.84	-	9.49
Other non-current financial liabilities	-	1.01	-	1.09
Non-current lease liabilities	-	24.95	-	16.33
Capital creditors	-	29.82	-	42.02
Unpaid dividend	-	0.82	-	0.91
Employee benefits payable	-	8.85	-	15.00
Current lease liabilities	-	7.95	-	4.16
Sales return for expired goods	-	47.80	-	40.60
Forward exchange contracts used for hedging	18.82	-	-	-
Liability on account of share buy back	-	388.27	-	-
Trade payables	-	353.02	-	274.37
Total financial liabilities	18.82	866.33	-	403.97

Fair value measurement of lease liabilities is not required.

Notes to the Standalone Financial Statements

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Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value	As at 31 March 2023			As at 31 March 2022		
	Level			Level		
	I	II	III	I	II	III
Financial assets						
Recurring fair value measurements						
Forward exchange contracts used for hedging	-	-	-	-	17.09	-
Investment in Mutual Funds	178.32	-	-	-	-	-
Investment in NCDs/NC MLDs	-	207.74	-	-	121.86	-
Investment in Limited liability partnership	-	-	25.10	-	-	25.10
Total Financial Assets	178.32	207.74	25.10	-	138.95	25.10
Financial Liabilities						
Forward exchange contracts used for hedging	-	18.82	-	-	-	-
Total Financial liabilities	-	18.82	-	-	-	-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have declared buyback NAV. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (like Mark to market derivatives, Non-convertible debentures and Non-convertible market link debenture) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value as instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Measurement of fair values:

Valuation techniques and significant unobservable inputs:

The following tables show the valuation techniques used in measuring Level 2 fair values, for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used:

Type	Valuation Technique	Significant unobservable Inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative instruments	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date.	Not applicable	Not applicable

B. Financial risk management

Company has exposure to following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk
- currency risk

Risk management framework

Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the Company's risk management policies, under the guidance of Audit Committee.

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for the year ended 31 March 2023

Company's risk management policies are established to identify and analyse the risks faced by it, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. Company, through its training and procedures aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Company's Audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit committee.

i. Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and mutual funds, foreign exchange transactions and other financial instruments.

Impairment:

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables:

₹ in Crore

Particulars	As at 31 March 2023		
	Carrying amount	Weighted average loss rate	Loss allowance
Group Debtors	634.66	0.08%	0.52
Past due up to 180 days	339.88	0.08%	0.28
Past due 181 – 365 days	2.08	28.50%	0.59
Past dues 366 – 730 days	8.90	73.00%	6.50
Past dues 731 – 1096 days	0.06	100.00%	0.06
More than 1096 days	3.09	100.00%	3.09
Total	988.67		11.04

₹ in Crore

Particulars	As at 31 March 2022		
	Carrying amount	Weighted average loss rate	Loss allowance
Group Debtors	745.73	0.87%	6.50
Past due up to 180 days	299.11	0.25%	0.74
Past due 181 – 365 days	4.65	13.78%	0.64
Past dues 366 – 730 days	5.02	59.85%	3.01
Past dues 731 – 1096 days	0.05	100.00%	0.05
More than 1096 days	3.80	100.00%	3.80
Total	1058.36		14.74

a) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables, which are non-interest bearing, are mainly from stockists, distributors and customers and are generally on 14 days to 270 days credit term excluding wholly owned subsidiaries. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

As at 31 March 2023, Company had 37 customers, excluding wholly owned subsidiaries (31 March 2022: 32 customers) that owed the Company more than ₹ 0.50 Crore each and accounted for approximately 26% and 22% respectively of the total outstanding as at 31 March 2023 and 31 March 2022.

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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

65% (Previous Year 70%) of total receivables is from wholly owned subsidiaries.

Sales to certain jurisdictions are either based on advance payments or restricted to certain limits to curtail exposures to credit risk.

Expected credit loss assessment

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. The trend of the bad debts is negligible.

₹ in Crore

Particulars	As at 31 March 2023	As at 31 March 2022
Gross Carrying amount	988.67	1058.36
Average Expected loss rate	1.12%	1.39%
Carrying amount of trade receivables (net of impairment)	977.63	1043.62

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

₹ in Crore

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at the beginning of the year	14.74	13.57
Impairment loss/(gain) recognised (net)	(0.84)	3.69
Amounts written off	(2.86)	(2.52)
Balance as at the year end	11.04	14.74

During the year impairment gain has been recognised due to write-back of allowance of trade receivable.

b) Financial instruments

Company limits its exposure to credit risk by investing in liquid securities issued by mutual funds having a credit ranking of at least 3 and above from CRISIL or equivalent rating agency. Company monitors changes in credit risk by tracking published external credit ranking. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties.

ii. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt, and overdraft from banks at an optimised cost. Working capital requirements are adequately addressed by internally generated funds. Trade receivables are kept within manageable levels.

Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities over the next six months. The ratio of cash and cash equivalents and other highly marketable debt investments to outflows is 0.86 at 31 March 2023 (0.56 at 31 March 2022).

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Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

₹ in Crore

As at 31 March 2023	Carrying amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Trade Payables	353.02	353.02	352.95	0.07	-	-
Other Financial Liabilities	499.23	499.23	498.22	1.01	-	-
Lease Liabilities	32.90	32.90	7.95	7.95	4.58	12.42
Total	885.15	885.15	859.12	9.03	4.58	12.42

₹ in Crore

As at 31 March 2022	Carrying amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Trade Payables	274.37	274.37	274.37	-	-	-
Other Financial Liabilities	109.11	109.11	108.02	1.09	-	-
Lease Liabilities	20.49	20.49	4.16	1.79	2.12	12.42
Total	403.97	403.97	386.55	2.88	2.12	12.42

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Company uses derivative financial instruments such as foreign exchange contracts to manage its exposures to foreign exchange fluctuations. All such transactions are carried out within the guidelines set by the risk management committee.

iv. Currency risk

Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of Company. The currencies in which these transactions are primarily denominated are US dollars, Australian dollars, Great Britain Pound and Euro.

At any point in time, Company covers foreign currency risk by taking appropriate percentage of its foreign currency exposure, as approved by risk management committee in line with the laid down policy approved by the Board. Company uses forward exchange contracts to mitigate its currency risk, most with a maturity of less than one year from the reporting date. In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The following table analyses foreign currency risk as at 31 March 2023:

₹ in Crore

Particulars	US Dollars	EURO	AUD	GBP	Total
Bank balances	181.56	3.60	-	-	185.16
Trade and other receivables	873.73	5.98	-	-	879.71
Trade and other payables	23.23	3.26	0.01	0.01	26.51
Net assets/(liabilities)	1032.06	6.32	(0.01)	(0.01)	1038.36

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for the year ended 31 March 2023

The following table analyses foreign currency risk as at 31 March 2022:

₹ in Crore

Particulars	US Dollars	EURO	AUD	GBP	Total
Bank balances	114.17	2.97	-	-	117.14
Trade and other receivables	973.39	0.67	-	-	974.06
Trade and other payables	31.89	1.50	-	-	33.39
Net assets/(liabilities)	1055.67	2.14	-	-	1057.81

For the year ended 31 March 2023 every percentage point depreciation/appreciation in the exchange rate for the closing balances between the Indian Rupee and respective currencies would affect the Company's incremental profit before tax as per below:

₹ in Crore

Particulars	Change in currency exchange rate	Effect on profit before tax
US Dollars (USD)	+1%/(-1%)	10.32/(10.32)
EURO	+1%/(-1%)	0.06/(0.06)
AUD	+1%/(-1%)	0.00/(0.00)
GBP	+1%/(-1%)	0.00/(0.00)

For the year ended 31 March 2022 every percentage point depreciation/appreciation in the exchange rate between the Indian Rupee and respective currencies has affected the Company's incremental profit before tax as per below:

₹ in Crore

Particulars	Change in currency exchange rate	Effect on profit before tax
US Dollars (USD)	+1%/(-1%)	10.55/(10.55)
EURO	+1%/(-1%)	0.02/(0.02)
AUD	+1%/(-1%)	-/(-)
GBP	+1%/(-1%)	-/(-)

49. NOTE ON FOREIGN CURRENCY EXPOSURES ON ASSETS AND LIABILITIES

A. Disclosure on foreign currency exposure on forward contracts

During the year, the Company has entered into forward exchange contract, being derivative instruments to mitigate foreign currency risk, to establish the amount of currency in Indian Rupees required or available at the settlement date of certain payables and receivables.

The following are the outstanding foreign currency forward contracts entered into by the Company:

Particulars	As at 31 March 2023	As at 31 March 2022	Buy or Sell	Cross currency
	Foreign currency amount in Crore	Foreign currency amount in Crore		
EURO	5.80	2.56	SELL	INR
USD	8.05	13.92	SELL	INR

B. Disclosure on foreign currency exposure on assets and liabilities

The year-end foreign currency exposures that have not been mitigated by a derivative instrument or otherwise are as below:

Particulars	₹ in Crore	₹ in Crore	Foreign currency amount in Crore	Foreign currency amount in Crore	Foreign currency
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	
Amount Receivable	396.99	37.60	4.83	0.50	USD
	32.21	65.35	0.39	0.86	USD
	3.27	19.12	0.04	0.23	EURO
Amount Payable	0.01	-	*	-	AUD
	0.01	-	**	-	GBP
	-	@	-	#	AED

(* GBP 639 ** AUD 1,800 @ ₹ 38,616 # AED 1,912)

Notes to the Standalone Financial Statements

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50. DISAGGREGATION OF REVENUE

The operations of the Company are limited to only one segment viz. pharmaceuticals and related products. Revenue from contract with customers is from sale of manufactured goods. Sale of goods are made at a point in time and revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch/delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established. There is no significant financing component as the credit period provided by the Company is not significant.

50.1 Revenue

Primary geographical markets

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
India	1,174.00	982.20
Emerging Market	1,356.92	1,315.41
Africa Institution	190.23	206.10
USA	655.00	580.07
Total revenue from contract with customers	3,376.15	3,083.78
Timing of revenue recognition		
Goods transferred at a point in time	3,376.15	3,083.78

Variable components such as discounts and rebates continue to be recognised as deduction from revenue in compliance with Ind AS 115.

Revenue Break-up

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
Revenue as per contracted price	3,420.84	3,221.55
Adjusted for:		
Trade Discounts	57.39	46.55
Others	(12.70)	91.22
	44.69	137.77
Net Revenue	3,376.15	3,083.78

The Company normally sells goods on credit which varies from 14 to 21 days for domestic sales and 180 to 270 days in case of export sales. This does not involve any significant financing element.

We have two customers having more than 10% of Company's Revenue amounting to ₹ 1,098.37 Crore.

50.2 Provision for Anticipated Return of Expired Goods subsequent to Sale:

Provision has been made towards probable return of goods from customers, as per Indian Accounting Standard (Ind AS 115) estimated by management based on past trends.

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	40.60	33.10
Add: Provisions made during the year	47.80	40.60
Less: Amount written back/utilised during the year	40.60	33.10
Balance at the end of the year	47.80	40.60

51. DISCLOSURE FOR LEASES UNDER IND AS 116 – "LEASE"

Company has taken various premises under operating lease. These are generally cancellable and ranges from 11 months to 5 years and are renewable by mutual consent on mutually agreeable terms. Some of these lease agreements have price escalation clauses. There are no restrictions imposed by these lease arrangements and there are no sub leases. There are no contingent rents. A single discount rate has been applied to a portfolio of leases with reasonably similar characteristics.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

Right-of-use assets

Particulars	₹ in Crore		
	Land and Buildings	Leasehold land	Total
Cost			
As at 1 April 2022	34.35	62.59	96.94
Additions	21.17	-	21.17
Disposals	(27.54)	-	(27.54)
Balance as at 31 March 2023	27.98	62.59	90.57
Accumulated depreciation and impairment			
As at 1 April 2022	27.19	1.87	29.06
Depreciation	8.75	0.95	9.70
Eliminated on disposals of assets	(27.48)	-	(27.48)
Balance as at 31 March 2023	8.46	2.82	11.28

Particulars	₹ in Crore		
	Land and Buildings	Leasehold land	Total
Cost			
As at 1 April 2021	30.73	79.55	110.28
Additions	4.89	1.56	6.45
Disposals	(1.27)	(18.52)	(19.79)
Balance as at 31 March 2022	34.35	62.59	96.94
Accumulated depreciation and impairment			
As at 1 April 2021	19.31	2.13	21.44
Depreciation	9.15	0.97	10.12
Eliminated on disposals of assets	(1.27)	(1.23)	(2.50)
Balance as at 31 March 2022	27.19	1.87	29.06

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
Carrying amounts		
As at 1 April 2022		67.88
Balance as at 31 March 2023	79.29	

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
Carrying amounts		
As at 1 April 2021		88.84
Balance as at 31 March 2022	67.88	

Breakdown of lease expenses

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
Short-term and low value lease expense	6.04	5.36
Total lease expense	6.04	5.36

Cash outflow on leases

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
Repayment of lease liabilities (includes interest of ₹ 3.47 Crore in current year and ₹ 2.60 Crore in previous year)	(12.23)	(14.47)
Total cash outflow on leases	(12.23)	(14.47)

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

Maturity analysis

Particulars	₹ in Crore	
	Less than 1 year	Over 1 year
As at 31 March 2023		
Lease liabilities	7.95	24.95
As at 31 March 2022		
Lease liabilities	4.16	16.33

52. CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities

Particulars	₹ in Crore	
	As at 31 March 2023	As at 31 March 2022
i. Claims against the Company not acknowledged as debt	0.61	0.61
ii. Custom Duty on import under Advance License Scheme, pending fulfilment of Exports obligation.	2.32	5.22
iii. Disputed Octroi. Amount paid under protest and included under "Other Current Assets" ₹ 0.52 Crore (Previous Year ₹ 0.52 Crore)	0.52	0.52
iv. Excise duty, Service Tax, VAT and GST disputed by the Company	1.10	0.93

The Company has three ongoing patent litigations as on 31 March 2023. No liability is expected to arise from these litigations.

The Company does not expect the outcome of the matters stated above to have a material adverse impact on the Company's financial condition, results of operations or cash flows.

Future cash outflows in respect of liability under clause (i) is dependent on terms agreed upon with the parties, in respect of clauses (ii) to (iv) is dependent on decisions by relevant authorities of respective disputes.

Code on social Security, 2020

The new Code on Social Security, 2020 (Code) has been enacted, which could impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.

Commitments

Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances ₹ 86.97 Crore (Previous Year ₹ 69.16 Crore).

53. RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24 ARE GIVEN BELOW:

A. Relationships:

Category I – Subsidiaries:

Ajanta Pharma (Mauritius) Ltd.	(APML)
Ajanta Pharma Mauritius International Ltd.	(APMIL) – (Wound up dated 27 September 2022)
Ajanta Pharma Nigeria Limited	(APNL)
Ajanta Pharma USA Inc	(APUI)
Ajanta Pharma Philippines Inc	(APPI)

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

Category II – Directors and Key Management Personnel:

Mr. Mannalal B. Agrawal	Chairman
Mr. Madhusudan B. Agrawal	Executive Vice-Chairman
Mr. Yogesh M. Agrawal	Managing Director
Mr. Rajesh M. Agrawal	Joint Managing Director
Mr. Chandrakant M. Khetan	Independent Director
Mr. K. H. Viswanathan	Independent Director
Mr. Prabhakar Dalal	Independent Director
Dr. Anjana Grewal	Independent Director
Mr. Arvind K. Agrawal	Chief Financial Officer
Mr. Gaurang C. Shah	Company Secretary

Category III – Enterprise over which persons covered under Category II above are able to exercise significant control:

Gabs Investments Private Limited
 Seth Bhagwandas Agrawal Charitable Trust
 Ganga Exports being represented by Mr. Yogesh M. Agrawal, Mr. Rajesh M. Agrawal and Mr. Ravi P. Agrawal
 Mannalal Agrawal Trust, Trustee – Mr. Mannalal B. Agrawal
 Yogesh Agrawal Trust, Trustee – Mr. Yogesh M. Agrawal
 Rajesh Agrawal Trust, Trustee – Mr. Rajesh M. Agrawal
 Ravi Agrawal Trust, Trustee – Mr. Ravi P. Agrawal
 Aayush Agrawal Trust, Trustee – Mr. Aayush M. Agrawal
 Ajanta Pharma Limited Group Gratuity Trust
 Samta Purushottam Agrawal Memorial Foundation
 Mamta and Madhusudan Agrawal Memorial Foundation
 Manisha Yogesh Agrawal Foundation
 Smriti Rajesh Agrawal Foundation
 Ajanta Foundation

Category IV – Others (Relatives of Key Management Personnel):

Ms. Tanya Agrawal – Daughter of Managing Director
 Mr. Aayush M. Agrawal
 Mr. Ravi P. Agrawal

B. The following transactions were carried out with related parties:

Sr. No.	Particulars	Category	₹ in Crore	
			Year ended 31 March 2023	Year ended 31 March 2022
1.	Sale of Goods			
	APML	I	50.90	96.41
	APPI	I	156.24	139.34
	APUI	I	655.00	580.07
2.	Purchase of Capital Goods			
	APML	I	-	0.17
3.	Dividend from Subsidiary Companies			
	APPI	I	35.14	22.33
4.	Expenses Reimbursement to			
	APNL	I	0.33	0.25

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

₹ in Crore				
Sr. No.	Particulars	Category	Year ended 31 March 2023	Year ended 31 March 2022
5.	Compensation to Key Management and Others			
	Short-Term Employee Benefits			
	Mr. Madhusudan B. Agrawal	II	3.62	3.42
	Mr. Yogesh M. Agrawal	II	12.33	11.06
	Mr. Rajesh M. Agrawal	II	12.33	11.06
	Mr. Arvind K. Agrawal	II	1.64	1.43
	Mr. Gaurang C. Shah	II	0.91	0.76
	Ms. Tanya Agrawal	IV	0.10	0.08
	Post-employment benefits	II & IV	0.44	0.62
6.	Commission to Executive Director			
	Mr. Yogesh M. Agrawal	II	3.30	5.25
	Mr. Rajesh M. Agrawal	II	3.30	5.25
7.	Commission and Sitting Fees to Non-Executive Director			
	Mr. Mannalal B. Agrawal	II	0.07	0.06
	Mr. Chandrakant M. Khetan	II	0.12	0.10
	Mr. K. H. Viswanathan	II	0.09	0.08
	Mr. Prabhakar Dalal	II	0.08	0.07
	Dr. Anjana Grewal	II	0.07	0.06
8.	Dividend Paid			
	Key Management Personnel	II	0.03	0.03
	Others	III & IV	63.21	57.83
9.	Commission from Subsidiary on Corporate Guarantee			
	APUI	I	-	0.52
10.	Corporate Social Responsibility Expense			
	Seth Bhagwandas Agrawal Charitable Trust	III	0.90	-
	Samta Purushottam Agrawal Memorial Foundation	III	5.86	7.04
	Ajanta Foundation	III	0.20	0.15
	Mamta and Madhusudan Agrawal Memorial Foundation	III	4.45	0.19
	Manisha Yogesh Agrawal Foundation	III	0.25	-
11.	Contribution made to Group gratuity trust towards premium paid to LIC			
	Premium paid	III	6.85	8.34
12.	Other Income from subsidiary			
	APUI	I	1.19	0.81
13.	Donation			
	Seth Bhagwandas Agrawal Charitable Trust	III	-	0.35
	Manisha Yogesh Agrawal Foundation	III	-	0.15
14.	Buyback of Equity Share			
	Yogesh M. Agrawal, Trustee Yogesh Agrawal Trust	III	48.07	39.04
	Rajesh M. Agrawal, Trustee Rajesh Agrawal Trust	III	48.07	39.04
	Ravi P. Agrawal, Trustee Ravi Agrawal Trust	III	43.28	40.01
	Aayush M. Agrawal, Trustee Aayush Agrawal Trust	III	39.34	41.21
	Ganga Exports being represented by Yogesh M. Agrawal, Rajesh M. Agrawal and Ravi P. Agrawal	III	10.04	11.34
	Mr. Arvind K. Agrawal	II	0.11	0.13
	Mr. Gaurang C. Shah	II	0.00*	0.00**
	Mr. Chandrakant M. Khetan	II	0.00#	-

*₹45,600 ** ₹ 30,600 #₹ 21,375

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

C. Amount outstanding as at end of the year

₹ in Crore				
Sr. No.	Particulars	Category	As at 31 March 2023	As at 31 March 2022
1.	Trade receivables			
	APPI	I	43.30	41.75
	APUI	I	568.80	661.68
	APML	I	22.56	42.30
2.	Investments in			
	APML	I	9.44	9.44
	APPI	I	1.38	1.38
	APUI	I	7.07	7.07
	APNL	I	1.37	1.37
	Less: Impairment of Investment in Subsidiary	I	(1.37)	(1.37)
3.	Trade Payables			
	APNL	I	(0.04)	(0.07)
	APML	I	-	0.17
4.	Other Receivables			
	APUI	I	0.62	0.44
5.	Commission payable to Executive Director			
	Mr. Yogesh M. Agrawal	II	3.30	5.25
	Mr. Rajesh M. Agrawal	II	3.30	5.25
6.	Commission payable to Non-Executive Director			
	Mr. Chandrakant M. Khetan	II	0.04	0.04
	Mr. K. H. Viswanathan	II	0.03	0.02
	Mr. Prabhakar Dalal	II	0.03	0.02
	Dr. Anjana Grewal	II	0.03	0.02
7.	Buyback amount payable			
	Yogesh M. Agrawal, Trustee Yogesh Agrawal Trust	III	48.07	-
	Rajesh M. Agrawal, Trustee Rajesh Agrawal Trust	III	48.07	-
	Ravi P. Agrawal, Trustee Ravi Agrawal Trust	III	43.28	-
	Aayush M. Agrawal, Trustee Aayush Agrawal Trust	III	39.34	-
	Ganga Exports being represented by Yogesh M. Agrawal, Rajesh M. Agrawal and Ravi P. Agrawal	III	10.04	-
	Mr. Arvind K. Agrawal	II	0.11	-
	Mr. Gaurang C. Shah	II	0.00*	-
	Mr. Chandrakant M. Khetan	II	0.00#	-

*₹45,600 # ₹ 21,375

Based on the internal and external transfer pricing review and validation, the Company believes that all transactions with associated enterprises are undertaken on the basis of arm's length principle. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. Details related to ESOP given to Employees of Subsidiary provided in note 47.

During the year, Ajanta Pharma (Mauritius) International Limited, a wholly owned subsidiary of Ajanta Pharma (Mauritius) Limited, was wound up and removed from register of companies u/s 308 of the Companies Act, 2001 (Mauritius) by Business registration department dated 27 September 2022.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

54. CONTRIBUTION TOWARDS CORPORATE SOCIAL RESPONSIBILITY ("CSR")

As per Section 135 of the Act, a CSR committee has been formed by the Company. The funds are utilised during the year on the activities which are specified in schedule VII of the Act. The utilisation is done by way of direct and indirect contribution towards various activities.

The particulars of CSR expenditure are as follows:

		₹ in Crore	
Sr. No.	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a)	Amount required to be spent by the Company during the year	15.54	12.60
(b)	Amount approved by the Board to be spent during the year	15.54	12.60
(c)	Amount spend during the year		
(i)	Construction/acquisition of asset	-	-
(ii)	On purposes other than (i) above	16.37	13.13
(iii)	Shortfall at the end of the year	-	-
(iv)	Total of previous year shortfall	-	-
(v)	Nature of CSR activities	Promoting education, Medical assistance, Rural development & promoting of sports	
(d)	Details of related party transactions (refer note 53)	11.66	7.38

55. The Company has presented data relating to its segments based on its consolidated financial statements, which are presented in the same Annual Report. Accordingly, in terms of paragraph 4 of the Indian Accounting Standard (Ind AS 108) "Operating Segments", no disclosures related to segments are presented in this standalone financial statement.

56. REMUNERATION TO AUDITORS (EXCLUDING GST)

		₹ in Crore	
Particulars	Year ended 31 March 2023	Year ended 31 March 2022	
- Audit Fees	0.25	0.25	
- Limited review	0.28	0.28	
- For Certification and other matters (including OPE)	0.22	0.32	

57. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

		₹ in Crore	
Particulars	Year ended 31 March 2023	Year ended 31 March 2022	
a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal amount due to micro and small enterprises	37.94	27.98
	Interest due on above	-	-
b)	The amount of interest paid by the buyer as per Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

58. RATIOS – ADDITIONAL REGULATORY INFORMATION

Ratio	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	Variance (%)
Current Ratio (in times)*	Total current assets	Total current liabilities	2.81	4.38	(35.84)
Debt – Equity Ratio (in times)	Total Debt (Lease liability)	Total equity	0.01	0.01	-
Debt Service Coverage Ratio (in times)	Earnings available for debt service	Debt Service	-	-	-
Return on Equity (%)**	Profit for the year less preference dividend (if any)	Average total equity	17.42 %	23.78 %	(26.75)
Inventory Turnover Ratio (in times)	Sale of products	Average Inventory	5.12	4.86	5.35
Trade receivables turnover ratio (in times)	Revenue from Operations	Average Trade Receivable	3.38	3.44	(1.74)
Trade payables turnover ratio (in times)	Net Credit Purchases (Raw material, packing material and purchase of traded goods)	Average Trade Payables	3.36	2.82	19.15
Net capital turnover ratio (in times)	Revenue from operations	Working Capital (Total current assets less Total current liabilities)	2.08	1.98	5.05
Net profit ratio (%)**	Profit for the year	Revenue from operations	16.38 %	22.92 %	(28.53)
Return on capital employed (ROCE) (%)	Profit before tax and finance costs	Capital Employed (Net worth + Lease liability + Deferred tax liability)	20.93 %	27.67 %	(24.36)
Return on investment (%)	Income generated from invested funds	Average invested funds	6.13 %	6.58 %	(6.84)

* Increase in current liabilities on account of share buy back

** Increase in Operation cost and Fluctuation in foreign currency rate

59. RESEARCH AND DEVELOPMENT EXPENDITURE

A unit of the Company has been recognised by Department of Scientific and Industrial Research (DSIR) as in-house research and development unit. The amount of capital and revenue expenditure are as below.

		₹ in Crore	
Particulars	Year ended 31 March 2023	Year ended 31 March 2022	
Amount in respect to			
Capital Expenditure	18.20	12.19	
Revenue Expenditure	237.01	204.34	
Total	255.21	216.53	

60. UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

- A. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- B. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

61. IMPAIRMENT OF INVESTMENT IN SUBSIDIARY

The Company in prior years has made full provision for investment in aggregate value of unquoted investment in Ajanta Pharma Nigeria Limited and the carrying value of investment is considered as Nil.

62. INVESTMENT PROPERTIES

Rental income recognised in profit or loss for investment properties aggregates to ₹ 0.35 Crore (Previous year ₹ 0.01 Crore). Maintenance and other expenses aggregating to ₹ 0.04 Crore (Previous year ₹ 0.02 Crore). Fair value of Investment Properties aggregates to ₹ 12.48 Crore as per registered valuer.

The Company has entered into agreement for sale of its investment properties, subject to fulfilment of certain conditions. Transaction is expected to be completed in the next 3 months. Pending fulfilment of such conditions, the said properties aggregating to ₹ 7.92 Crore has been reclassified from investment properties to assets held for sale.

63. INCOME TAX

a) Current income tax

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
Amount recognised in statement of profit and loss		
Current tax on profit for the year	122.40	196.72
Adjustment for current tax of prior periods *	21.66	(25.55)
Total Current tax expenses	144.06	171.17
Deferred tax expense/(benefit)		
Origination and reversal of timing difference	0.05	9.51
MAT Credit Entitlement	(2.98)	-
Total Deferred Tax expenses	(2.93)	9.51
Total Income tax expense recognised in the income statement	141.13	180.67

*Tax expenses for prior periods amounting to ₹ 21.66 Crore (Previous year tax credit ₹ 25.55 Crore) comprises reversal of Income Tax refund on account of ITAT order giving effect.

b) Reconciliation of effective tax rate

The following is a reconciliation of the Company's effective tax rate

Particulars	₹ in Crore	
	Year ended 31 March 2023	Year ended 31 March 2022
Accounting profit before income taxes	699.85	900.57
Enacted tax rate in India (%)	34.94	34.94
Computed expected tax expenses	244.53	314.70
Effect of non-deductible expenses	15.21	14.92
Temporary difference which is reversed during the Tax Holiday period	(1.76)	(3.18)
Tax effect which is chargeable at different rate	(9.62)	(4.44)
Others deductible expenses	(18.04)	(14.03)
Adjustment for current tax of prior periods	21.66	(25.55)
Mat Credit Entitlement	(2.98)	-
Deduction for Tax Holiday Unit	(107.87)	(101.74)
Income tax expenses	141.13	180.68
Effective tax rate	20.17%	20.06%

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

c) Recognised deferred asset and liability

Particulars	₹ in Crore					
	Deferred tax asset		Deferred tax liabilities		Net deferred tax asset/(liabilities)	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Property, Plant and equipment	-	-	132.02	126.89	(132.02)	(126.89)
Gain on Investment at FVTPL	0.80	-	-	3.13	0.80	(3.13)
Leave Encashment	9.48	8.33	-	-	9.48	8.33
Provision for return of Expired Goods	16.70	14.19	-	-	16.70	14.19
Diminution in value of Investment	0.48	0.48	-	-	0.48	0.48
MAT Credit Entitlement	2.98	-	-	-	2.98	-
Provision for Loss Allowance	3.86	5.15	-	-	3.86	5.15
Net deferred tax asset/(liabilities)	34.30	28.15	132.02	130.02	(97.72)	(101.87)

d) Movement in deferred tax balances 31 March 2023

Particulars	₹ in Crore				
	Net balance as at 31 March 2022	Recognised in Profit and loss	Net balance as at 31 March 2023	Deferred tax asset	Deferred tax liabilities
Property, plant and equipment	(126.89)	(5.13)	(132.02)	-	132.02
Gain on Investment at FVTPL	(3.13)	3.93	0.80	0.80	-
Leave Encashment	8.33	1.15	9.48	9.48	-
Provision for return of Expired Goods	14.19	2.51	16.70	16.70	-
Diminution in value of Investment	0.48	-	0.48	0.48	-
MAT Credit Entitlement	-	2.98	2.98	2.98	-
Provision for Loss Allowance	5.15	(1.29)	3.86	3.86	-
Net deferred tax asset/(liabilities)	(101.87)	4.15	(97.72)	34.30	132.02

e) Movement in deferred tax balances 31 March 2022

Particulars	₹ in Crore				
	Net balance as at 31 March 2021	Recognised in Profit and loss	Net balance as at 31 March 2022	Deferred tax asset	Deferred tax liabilities
Property, plant and equipment	(115.88)	(11.01)	(126.89)	-	126.89
Gain on Investment at FVTPL	(0.61)	(2.52)	(3.13)	-	3.13
Leave Encashment	7.53	0.80	8.33	8.33	-
Provision for return of Expired Goods	11.57	2.62	14.19	14.19	-
Diminution in value of Investment	0.48	-	0.48	0.48	-
MAT Credit Entitlement	-	-	-	-	-
Provision for Loss Allowance	4.74	0.41	5.15	5.15	-
Net deferred tax asset/(liabilities)	(92.17)	(9.70)	(101.87)	28.15	130.02

The charge relating to temporary differences during the year ended 31 March 2023 are primarily on account of property plant and equipment and gain on investment at FVTPL partially offset by provision for expired goods, provision for loss allowance, compensated absences. The credit to temporary differences during the year ended 31 March 2022 are primarily on account of property plant and equipment and gain on investment at FVTPL partially offset by provision for expired goods, provision for loss allowance, compensated absences. Current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same authority.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

64. ADDITIONAL DISCLOSURES REQUIRED BY SCHEDULE III (AMENDMENTS DATED 24 MARCH 2021) TO THE COMPANIES ACT, 2013

A. Relationship with struck off company

The Company has one transaction with the companies struck off under Companies Act, 2013 or Companies Act, 1956

- Name of the struck off company: Airtech Filters & Systems Private Limited
- Nature of transactions: Payable towards purchase of spare parts
- Balance outstanding: ₹ 0.06 Crore
- Relationship with the struck off company (if any): No Relationship

B. Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

C. Utilisation of borrowings availed from banks

The borrowings obtained by the Company from banks have been applied for the purposes for which such loans were taken.

D. Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

E. Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

F. Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

G. Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

H. Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No.: 101248W/W-100022

Sreeja Marar

Partner

Membership No.: 111410

Place: Mumbai

Date: 05 May 2023

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

CIN – L24230MH1979PLC022059

Yogesh M. Agrawal

Managing Director

DIN: 00073673

Arvind K. Agrawal

Chief Financial Officer

Rajesh M. Agrawal

Joint Managing Director

DIN: 00302467

Gaurang C. Shah

Company Secretary

FCS No. 6696

Notice



Notice

NOTICE is hereby given that Forty-Fourth Annual General Meeting of the Members of Ajanta Pharma Limited will be held on Tuesday, 18 July 2023 at 11.00 a.m. IST through Video Conferencing ("VC")/or Other Audio-Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31 March 2023 together with the Reports of the Board of Directors and the Auditors thereon; and
 - b) the Audited Consolidated Financial Statements of the Company for the Financial year ended 31 March 2023 together with the Report of the Auditors thereon.
2. To confirm the interim dividend of ₹ 7/- per share, as final dividend for the year ended 31 March 2023.
3. To appoint a Director in place of Mr. Madhusudan B. Agrawal (DIN: 00073872), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the rules made thereunder, as amended from time to time, and subject to the Articles of Association of the Company, the Board of Directors of the Company be and are hereby authorised to pay a sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of section 198 of the Act and the same be distributed amongst the Directors of the Company or some or any of them (other than the Managing Director and Whole-time Directors) in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each year, for a period of five years, effective from the Financial year 2023-2024."
5. To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with applicable rules made thereunder including any modification(s) or re-enactment(s) thereto for the time being in force, and subject to the approval of the Registrar of Companies ("ROC") Mumbai, and any other regulatory authorities as may be applicable, the consent of the Members of the Company be and is hereby accorded for amending Object clause of the Memorandum of Association ("MoA") as under:

- A) Replacing existing sub-clause III (A) 1 with new sub-clause III (A) 1 & 2 as under:
 - (1) To carry on in India and anywhere in the world, the business of manufacturing, developing, dealing, retailing, whole-selling, buying, selling (online or offline), importing, exporting, trading (online or offline), agency, job-work, testing, distributing, stocking, consigning, registering, packing, refining, marketing, processing of and generally dealing in all types of (a) pharmaceutical products, medicinal products, over the counter drugs, formulations, pharmaceutical-fine-Chemicals, bulk drugs, chemicals, intermediates, allopathic, unani, ayurvedic, homeopathic, patent medicines, biological products, biotechnological products, genetic engineering products, tissue culture products, herbs biopharmaceuticals, biochemicals, biotherapeutics, materials and supplements, all types of active pharmaceutical ingredients (API), biosimilars, derivatives and by products thereof and products to be made therefrom; (b) substances of monoclonal antibodies, cleansing compounds, toilet requisites, salts, acids, oils, dyes, pigments, varnishes, paints, clinical products, minerals, alkalis, tannins, pesticides, industrial and other preparations or any other similar products relating to drug and allied industries, in any form including but not limited to lotion, liquid, capsules, bottling, repacking, vialling, tablets, serum, essence, dentifrice, gaseous spray, aerosol, extract, grease, syrups, cream, injectables, salve, ointment, pomade, powder or unguents; (c) healthcare, nutrition, dietary, wellness, food, personal hygiene and other products for health, beauty and cosmetic purposes;

- (2) To establish, provide, maintain, promote and conduct, endow or assist, sell, lease or otherwise subsidise research & development laboratories or facilities and experimental workshops for scientific and technical research and to undertake and carry on all types of science & technical research, laboratories, lectures, workshops, experiments, libraries, meetings and conferences, studies, process developments & tests, scientific & technical investigations, process development and invention in pharmaceutical formulations, bulk drugs, etc. and to provide for the remunerations of scientific or technical researchers of doctors, teachers, professors and generally to encourage, promote and reward studies, researches, investigations, experiments, tests of any kind that may be considered likely to assist the business which the company is authorised to carry on.

- B) Replacing the heading of Clause:

III (B) 'THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS'

With following heading:

'MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF OBJECTS SPECIFIED IN CLAUSE (III) (A) ARE:'

- C) Replacing the existing sub-clauses III (B) 2 to 28 with new sub-clauses III (B) 3 to 31 as under:
 - (3) To start, run, maintain and operate in India or anywhere in the world, chemists and druggists shops, hospitals, nursing homes, dispensaries, mobile medical service centers, diagnostic centers, medical camps, medical education & training programs, pathology & radiology centers, factories and laboratories.
 - (4) To apply for and participate in any tender, registration or bidding process with Government bodies for the supply of medicines or to otherwise acquire any Government contracts or concessions in relation to the supply of medicines and to undertake and fulfil requirements on being successfully awarded supply contracts.
 - (5) To deliver advisory or customer research and manufacturing services to any person including body corporate, firm, limited liability partnership, association of person or any

other entity, whether in India or abroad, for establishment of pharmaceutical, chemical or any concern of similar nature.

- (6) To endorse, encourage, advise and help indigenous industrial, chemical and agricultural enterprises or concern in India or abroad and to promote, incorporate, establish, register, set-up, form, dissolve, wind-up, close, any subsidiary, joint venture, company, body corporate, association of persons, firm, society, limited liability partnership, trusts or legal entity in India or abroad and to pay for all costs, including underwriting and other commission, broker's fee and any other charges and expenses connected therewith.
- (7) To establish, open, operate, close, dissolve branches, units or agencies in India or abroad and to apply for obtain, procure any statutory or other powers, rights, concession, registration, permission, licence or recognition for the Company or its branches, units or agencies in India or abroad and to do all such acts, deeds, matters and things as may be necessary for carrying on any business or activity of such branches, units or agencies of the Company under the applicable laws or regulations.
- (8) To acquire, purchase, undertake or takeover either whole or part of any business, properties, assets, undertakings, units, goodwill, patents, rights, liabilities of any person including body corporate, firm, limited liability partnership, association of persons or any other entity, whether in India or abroad, including by way of participation in bid, e-tendering or auctioning in relation to inter-alia, distressed asset sale or by any other mechanism instituted by the Government for disposing off the assets including stressed assets or otherwise and to make, conduct or carry into effect any arrangement in regard to the liquidation, dissolution or winding-up of the business of any such person(s).
- (9) To enter into alliance or any arrangement, partnership, joint venture, including arrangement of profit sharing, union of interest, reciprocal concessions or co-operation with any person, including firm, body corporate, association of persons, limited liability partnership or any other entity, whether incorporated or not, whether in India or abroad, carrying on or engaged in, or about to carry on or engage in, any business or transaction, which the Company is

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authorised to carry on or engage in, or which can be carried on in conjunction therewith or which is capable of being conducted so as to benefit the Company, directly or indirectly and to acquire individually or jointly the securities of any other body corporate having objects altogether, or in part similar, to these objects.

- (10) To enter into any scheme of arrangement, amalgamation, restructuring, merger, demerger and to amalgamate, merge, demerge or otherwise restructure with any person including body corporate, firm, limited liability partnership, association of persons, foreign company, subsidiaries, associates, joint ventures or any other entity.
- (11) To enter into any arrangement including agreement, contract or memorandum of understanding with any person including body corporate, firm, limited liability partnership, association of persons any Government or other authorities or any other entity, whether in India or abroad that may seem conducive to the attainment of the Company's objects and to obtain any rights, privileges, grant, subsidy, concessions which the Company may consider necessary or desirable for obtaining and carrying out or complying with any such arrangement.
- (12) To negotiate and enter into agreements, contracts, memorandum of understanding or collaborate with any person including individual, firm, limited liability partnership, association of persons, body corporate or any other entity, whether in India or abroad for supplying or procuring technical assistance, knowhow in the manufacturing, marketing, exporting, importing, of any product.
- (13) To fabricate, purchase, buy, acquire, sell, provide, erect, construct, establish, exchange, maintain, run, operate, administer, dispose off, take on lease, hire or otherwise deal in any estate or interest and to take options over any land, building, machineries, structures, offices, factories, warehouses, godowns, plants, equipment, carriages or other properties, whether movable or immovable and any rights or privileges, including but not limited to occupational health centres, fitness centres, gymnasiums, swimming pools, places of instruction or recreation clubs, play grounds, residential buildings, commercial buildings, showrooms, shops, workshops,

creches, playgrounds, schools, places of worships, fire centres, treatment plants, security establishments, water reservoirs, sheds, channels, pumping installations, generating installations, pipelines, garages, storages, temporary or permanent structures and accommodation or premises of all descriptions, in India or abroad, in connection with the business of the Company for employees or others.

- (14) To settle, establish undertake and execute any trust, the undertaking whereof may seem desirable either gratuitously or otherwise or appoint, change or remove trustees or amend the trust deeds.
- (15) To distribute any of the properties of the Company amongst the members in specie or kind upon the winding up of the Company.
- (16) To invest or deal with the moneys of the Company (including the moneys not immediately required) in such manner as may from time to time be determined and to invest, acquire, subscribe, purchase, hold, sell, divest, mortgage, pledge, endorse, discount, assign or otherwise deal in any securities, hybrid securities, commercial papers, Government securities/bonds, fixed deposits, units of mutual funds or instruments of any kind or description for strategic purposes or otherwise, whether in India or abroad.
- (17) To lend or deposit money or any other property to any entity, person, company or body corporate with or without security.
- (18) To borrow, raise or receive money or avail fund based or non-fund based facilities from any bank, financial institution, body corporate or any other person, whether in India or abroad, at interest or otherwise, in such a manner as the Company may think fit, including by way of issuance of securities, with or without any security or encumbrance or charge on the Company's properties.
- (19) To draw, buy, sell, make, accept, endorse, encash, discount, issue, negotiate, assign, execute or otherwise deal in promissory notes, bills of exchange, cheques, hundies, drafts and other negotiable instruments or commercial or mercantile instruments.
- (20) To open, close, modify or operate bank accounts of all kinds, including cash credit or

overdraft accounts with any bank, financial institution, company, shroffs, merchants and other eligible and competent entities and to pay into and draw money from such accounts and operate such account.

- (21) Without prejudice to generality of the sub-clause mentioned hereinabove to mortgage, hypothecate, pledge, create charge on the whole or any part of the property, assets, rights, interest, lien, titles or revenue or profits of the Company, whether present or future, including its uncalled capital or to transfer or convey the same absolutely or in trust and to give the mortgage-holder, charge-holder or pledge-holder, power to sell, assign, grant leases, exchange, licenses easements and improve, manage, develop and turn to account or otherwise dispose of or deal with in any manner the whole or any part of the properties, assets, investments, undertaking(s), rights, concessions and effects of the Company in such manner as the Company may think appropriate and to guarantee performance of contracts or obligations of all kinds.
- (22) To remunerate any person including body corporate, firm, limited liability partnership, association of person or any other entity, whether in India or abroad, for services rendered or to be rendered in placing, or assisting to place or guaranteeing the placing of any of the shares in the Company's capital, or any debentures, debenture-stock or other securities of the Company or in the conduct of its business as will be conducive to the attainment of the objects of the Company.
- (23) To provide for the welfare of the employees or ex-employees of the Company and its subsidiaries and the spouse, widows, families or dependants or connections of such employees by building or contributing to the building of dwellings or houses or by grant of money, pensions, gratuity, bonus, payment towards insurance or other payment or by creating from time to time, subscribing or contributing to, adding or supporting provident funds or trusts or conveniences and by providing medical and other attendance and other assistance as the Company may think appropriate.
- (24) To apply for register, purchase or otherwise acquire, sell, dispose off, transfer, use, exchange, exercise, develop, protect, procure, prolong and renew, grant license or permit use of any

patents, brevet d' inventions, formula, new product, trademarks, trade-secrets, designs, trade names, knowhow, licences, concessions, or the like conferring exclusive or non-exclusive or limited right to use the same or any secret or information as to any invention or process of manufacture which may seem capable or being used for the purposes of the business and to do all such acts, deeds, matters and things as may be necessary in furtherance of the above.

- (25) To institute, conduct, defend or compound any legal proceedings by or against the Company or its holding, subsidiary or associate, joint venture or affiliates or officers thereof or otherwise concerning their affairs and pay, satisfy or compromise any claim made against the Company or any of its officers notwithstanding that the claim may not be valid at law and to initiate or refer or agree to refer any claims, demands, disputes or any other question by or against the Company, or in which the Company is concerned or interested, to arbitration or conciliation of any dispute present or future, between the Company and other party and to submit the same to arbitration or conciliation in India or abroad and to observe, perform and do all acts, deeds, matters and things to carry out or enforce the awards.
- (26) To donate, gift, give, subscribe or contribute or otherwise to assist in cash or in kind or to guarantee money or property of any kind and description, to any charitable, religious, benevolent, political, scientific institution, club, society, research association, fund, college or university or members and public in general or for such other useful objects, including incurring expenditure for promoting and/or sponsoring activities as a part of corporate social responsibility.
- (27) To accept gifts, subsidy, grant, assistance, bequests, devices and donations from any Government, agency, members and others.
- (28) To do all or any of the above things in India or any part of the world as principal, agent, contractor, trustee or otherwise and either alone or in conjunction with other(s) and to undertake the management of the other company or companies and to carry on the business and to act as merchants, traders, commission agents, adatis, purchasing agent, selling agent, muccadums, carriers, jatha

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merchants, landing/clearing and forwarding agent, broker, importers and exporters, and to import, export, buy, sell, barter, exchange make advances upon or otherwise deal in goods, produce, articles and merchandise of all kinds and description.

(29) To advertise or adopt such means of making known the Company, its brand or its business activities or any articles or goods traded in or dealt with by the Company in any way as may be expedient whether electronic, print, digital or social media, press, public places and theatres, radio, television, circular, purchase and exhibition or work of arts or interest or by any other mode including conducting of exhibitions, competitions and giving of prizes, rewards and donations and to print and publish or have printed and published, journals, periodicals, newspapers, books, booklets, pamphlets, handbills and advertisement materials.

(30) To become member of any other bodies or persons, associations, institutions, clubs, societies and bodies corporate including companies limited by guarantee whether formed for profit or non-profit making activities.

(31) To do all such other things as are incidental or conducive to the attainment or in furtherance of the objects specified in clause III(A) as above.

D) Deleting entire Clause III (C) 'OTHER OBJECTS'

RESOLVED FURTHER THAT the Board of Directors of the Company (the "Board" which term shall be deemed to include Committees constituted by the Board) or any one of Mr. Arvind Agrawal, Chief Financial Officer and Mr. Gaurang C. Shah, Company Secretary of the Company, be and are hereby jointly and/ or severally authorised to do all acts, deeds, matters and things as may, in their absolute discretion, be deemed necessary, expedient, proper or desirable to give effect to the resolution including filings of statutory forms and to settle any matter, question, difficulties or doubts that may arise in this regard and accede to such modifications and alterations to the aforesaid resolution as may be suggested by the Registrar of Companies or other Regulators without requiring the Board to secure any further consent or approval of the Members of the Company; and that the Members of the Company be deemed to have given their approval thereto expressly by the authority of this resolution and acts and things done or caused to be done by them shall be conclusive evidence of the authority of the Company for the same."

6. To consider ratification of remuneration of Cost Auditors and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, remuneration of ₹ 6.50 lakhs plus GST and reimbursement of actual travel and out-of-pocket expenses, fixed by the Board for M/s. Sevekari, Khare & Associates, Cost Accountants, for audit of cost records maintained by the Company for the financial year ending 31 March 2024, be and is hereby ratified."

By order of the Board of Directors

Gaurang C. Shah

VP – Legal & Company Secretary

5 May 2023

Registered office:
"Ajanta House", Charkop,
Kandivali (West),
Mumbai – 400 067

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), which sets out details relating to Item No. 4 to 6 of the Notice is annexed hereto.
2. The Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI"), have vide various circulars allowed companies to send the annual reports to shareholders only on e-mail and to hold Annual General Meeting ("AGM") through VC or OAVM without the physical presence of members at a common venue.
3. Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India, details of Director seeking reappointment forms part of this notice and is appended to the notice.

Hence, in accordance with these Circulars, the 44th AGM of the Members of the Company is being held through VC/ OAVM. The venue of the Meeting shall be deemed to be the registered office of the Company.

4. To support the green initiative and as per relaxation given by the Government, only electronic copy of the Annual report for the year ended 31 March 2023 and Notice of the 44th AGM are being sent to the Members whose mail IDs are available with your Company/ DP(s). Annual Report and the notice of the 44th Annual General Meeting are also posted on the website www.ajantapharma.com for download.

The AGM Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

The AGM Notice is also disseminated on the website of National Securities Depository Limited ("NSDL") (agency for providing the remote e-Voting facility and e-Voting system during the AGM) i.e. www.evoting.nsdl.com.

5. Since this AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice. However, in pursuance of Section 112 and 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC / OAVM and cast their votes through e-Voting.

6. In case of joint holders attending the Meeting, the member whose name appears as the first holder in the order of names as per Register of Members will be entitled to vote.

7. Institutional/Corporate Shareholders (i.e. other than individuals/ HUF/ NRI, etc.) are required to send a scanned copy (PDF / JPG format) of its Board or governing body resolution/authorisation etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-Voting. The said resolution/authorisation shall be sent to the Scrutiniser by e-mail through its registered e-mail address to scrutinizer@ajantapharma.com with a copy marked to evoting@nsdl.co.in, at least 48 hours before the commencement of AGM.

8. Following documents will be available for inspection electronically to the members during the AGM:

- i. Register of Directors and Key Managerial Personnel;
- ii. Register of securities held by Directors and Key Managerial Personnel;
- iii. Register of Contracts or Arrangements in which the directors are interested;
- iv. Certificate from the Secretarial Auditors of the Company certifying that the Company's Employee Stock Option Scheme – 2011 & Ajanta Share Based Incentive Plan – 2019 are being implemented in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

All other documents referred to in the Notice will also be available for electronic inspection without any fee by the

members from the date of circulation of this Notice up to the date of AGM, i.e. Tuesday, 18 July 2023. Members seeking to inspect such documents can send an e-mail to investorgrievance@ajantapharma.com

9. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulation (as amended) and MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised e-Voting agency. Accordingly, the facility of casting votes by a member using remote e-Voting as well as the e-Voting system on the date of the AGM will be provided by NSDL.

10. Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

11. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.

12. Instructions for Shareholders for remote e-Voting and joining the AGM are as under:

The remote e-Voting period begins on Saturday, 15 July 2023 at 9:00 a.m. and ends on Monday, 17 July 2023 at 5:00 p.m. The remote e-Voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/ Beneficial Owners as on the record date (cut-off date) i.e. Tuesday, 11 July 2023 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 11 July 2023.

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

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Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 9 December 2020 on e-Voting facility provided by Listed Companies,

Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in **demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDEAS user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDEAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDEAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDEAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>  </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing Myeasi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting Service Providers website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & E-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at above mentioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and for shareholders holding securities in physical mode.

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- Password details for shareholders other than Individual shareholders are given below:
 - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - How to retrieve your 'initial password'?
 - If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file

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contains your 'User ID' and your 'initial password'.

- (ii) If your e-mail ID is not registered, please follow steps mentioned below in **process for those shareholders whose e-mail ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

- a. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- b. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
- c. Now you are ready for e-Voting as the Voting page opens.
- d. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for

which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

- e. Upon confirmation, the message "Vote cast successfully" will be displayed.
- f. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- g. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- a. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to scrutinizer@ajantapharma.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/ Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.
- b. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

- c. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. Tuesday, 11 July 2023 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-Voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on 022 - 4886 7000 and 022 - 2499 7000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Tuesday, 11 July 2023 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

- d. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi Mhatre at evoting@nsdl.co.in

Process for those shareholders whose e-mail ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-Voting for the resolutions set out in this notice:

- a. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company's Registrar & Share Transfer Agent ("RTA"), Link Intime India Private Limited, C 101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai - 400 083.
- b. In case shares are held in demat mode, please contact your Depository Participant and get your mail ID registered with them. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- c. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-Voting by providing above mentioned documents.
- d. In terms of SEBI circular dated 9 December 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-Voting facility.

Instructions for Members for e-Voting on the day of the AGM are as under:

- a. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
- b. Only those Members/shareholders, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- c. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

- d. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-Voting.

Instructions for Members for attending the AGM are as under:

- a. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
 - b. Members are encouraged to join the Meeting through Laptops for better experience.
 - c. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 - d. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 - e. Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request in advance from Thursday, 13 July 2023 (9:00 a.m. IST) to Sunday, 16 July 2023 (5:00 p.m. IST) prior to meeting mentioning their name, demat account number / folio number, e-mail id, mobile number, PAN at investorgrievance@ajantapharma.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number / folio number, e-mail id, mobile number, PAN at investorgrievance@ajantapharma.com. These queries will be replied to by your Company suitably by e-mail.
13. Mr. Alwyn D'Souza, a Practising Company Secretary, Mumbai (Membership No. 5559 & Certificate of Practice No. 5137) has been appointed as the Scrutiniser to scrutinise the voting and ensuring that remote e-Voting

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process is conducted in a fair and transparent manner. The Scrutiniser will submit his report to the Chairman of the Company or to any other person authorised by the Chairman after the completion of the scrutiny of the e-Voting (votes casted during the AGM and votes casted through remote e-Voting), within 2 working days of the conclusion of the AGM. The result declared along with the Scrutiniser's report shall be communicated to the Stock Exchanges, NSDL & RTA and will also be displayed on your Company's website, www.ajantapharma.com.

14. Members are requested to address all correspondence in connection with shares held by them, to the Company's RTA viz., Link Intime India Private Limited, C 101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai - 400 083 by quoting their Folio number or their DPID and Client ID number, as the case may be.

15. Members are requested to do following, if not done yet:

- (i) Provide / update details of their bank accounts indicating the name of the bank, branch, account number and the nine-digit MICR code and IFSC code (as appearing on the cheque) along with photocopy of the cheque / cancelled cheque, self- attested identity proof and address proof, for remittance of dividend through ECS / NEFT and prevent fraudulent encashment of dividend warrants.
- (ii) Dematerialise the shares held by them in physical form.

- (iii) Update Permanent Account Number (PAN) against folio / demat account as also for deletion of name of deceased holder, transmission / transposition of shares.
 - (iv) Members holding shares in dematerialised form are requested to intimate / update all particulars of bank mandates, PAN, nominations, power of attorney, change of address, e-mail address, contact numbers etc. to their Depository Participants (DPs). Members holding shares in physical form are requested to intimate such details to the RTA and file nomination form SH-13.
16. NRI Members are requested to inform the RTA immediately:
- (i) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier; and
 - (ii) Change in their residential status and address in India on their return to India for permanent settlement.

By order of the Board of Directors

Gaurang C. Shah

5 May 2023 VP – Legal & Company Secretary

Registered Office:
"Ajanta House", Charkop,
Kandivali (West),
Mumbai – 400 067

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

Item No. 4

Non-Executive Directors are responsible for objectively looking at the plans framed by the executive team. They provide wise counsel and help with formulating and overseeing the corporate strategy by providing broader view of the factors affecting the business.

Independent Directors play vital role in the corporate governance. They provide unbiased advice, perspective and independent judgment to the Board decisions. They protect and balance the interests of all stakeholders while making deliberations. They monitor the integrity of financial information & risk management and ensure that relevant controls are in place.

Remuneration of Non-Executive Directors and Independent Directors have to be commensurate with their time devoted, valuable contributions made and responsibilities shouldered. They are paid sitting fees for attending the meetings of Board and Committees and are also paid commission on net profits of the Company determined by the Board in accordance with the authority accorded by the Members.

At the Annual General Meeting of the Company held on 5 July 2018, the Members had approved payment of commission to the Non-Executive and Independent Directors of the Company not exceeding 1% per annum of the net profits of the Company, for a period of five years commencing from 1 April 2018 up to 31 March 2023.

It is proposed to continue to pay commission not exceeding 1% per annum of the net profits of the Company computed in accordance with the provisions of section 197 of the Act, to the Non-Executive Directors & Independent Directors, for five consecutive financial years commencing 1 April 2023 and authorise the Board to decide the quantum of remuneration to be paid to the Non-Executive and Independent Directors.

All the Non-Executive and Independent Directors of the Company are concerned or interested in the Resolution at Item No. 4 of the Notice to the extent of the commission that may be received by each of them.

The Board recommends the resolution appearing at Item No. 4 of the accompanying Notice for Members approval as an Ordinary Resolution.

Item No. 5

Present Memorandum of Association (MoA) was adopted by the Company long back. It is proposed to amend the MoA

to align the same with the regulatory requirements and to make it more cohesive.

Alterations proposed in the MoA are as under:

- Current Clause III (Object Clause) is divided into 3 parts: (A) The main objects of the Company to be pursued by the Company on its incorporation; (B) The objects incidental or ancillary to the attainment of the main objects; and (C) The other object.
- As per the structure and format of MoA prescribed under the Companies Act, 2013, it should have 2 parts - main and ancillary objects.
- As per the amendments proposed, Object Clause has been bifurcated into main objects and ancillary objects.
- There is no change in the principle business of the Company.

MoA containing draft amendments in the Object Clauses is uploaded on the Company's website i.e. www.ajantapharma.com, and is also available for inspection of the Members at the Registered office of the Company during the office hours from the date of dispatch of the AGM notice to the date of ensuing AGM.

Pursuant to Section 13 of the Act, amendment to MoA requires Members approval by Special Resolution.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in passing of the proposed Resolution set out at Item No. 5.

The Board recommends the resolution at Item No. 5 of the accompanying Notice for approval of the Members as a Special Resolution.

Item No. 6

As per Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall, based on the recommendation of the Audit Committee appoint a cost accountant in practice, for auditing cost records of your Company and fix their remuneration. The remuneration of Cost Auditors approved by the Board shall be subject to ratification by the shareholders.

In pursuance thereof, on the recommendation of Audit Committee, the Board has at its meeting held on 5 May 2023 considered and approved appointment of M/s. Sevekari, Khare & Associates, Cost Accountants, for Cost Audit of the

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cost records maintained by the Company for the financial year ending 31 March 2024, at a remuneration of ₹ 6.50 lakhs plus GST as applicable and reimbursement of actual travel and out-of-pocket expenses, subject to ratification by the members. None of the Directors and/or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in passing of the proposed Resolution set out at Item No. 6.

5 May 2023

Registered Office:
"Ajanta House", Charkop,
Kandivali (West),
Mumbai – 400 067

The Board recommends the Resolution at Item No. 6 of the accompanying Notice for approval of the Members as an Ordinary Resolution.

By order of the Board of Directors

Gaurang C. Shah

VP – Legal & Company Secretary

Note

Details of the Director seeking appointment/re-appointment at Forty-Fourth Annual General Meeting (pursuant to Regulation 36 of the Listing Regulations and Clause 1.2.5 of Secretarial Standard on General Meetings).

Name of Director	Mr. Madhusudan B. Agrawal
Date of Birth	29 March 1955
DIN No.	00073872
Date of Appointment	31 December 1979
Expertise in Specific Functional Area	Business acumen and vision, industry knowledge, international business, general management, leadership & people management, networking & public relation, CSR management etc.
Qualifications:	
(i) Educational	B.Sc.
(ii) Experience in years	40+
No. of shares held in the Company	Nil
Relationship with other Directors and Key Managerial Personnel	Brother of Mannalal B. Agrawal, Director
No. of Board meetings attended during FY 2023	Four
Other Directorships in Companies	1. Gencrest Private Limited 2. Samta Mines and Minerals Limited 3. Vyata Space Concepts Private Limited 4. Agarwal Global Foundation 5. Kwera Lands Private Limited 6. Inspira Projects Limited 7. Inspira Infra (Aurangabad) Limited 8. Lenexis Foodworks Private Limited 9. Inspira Developers Private Limited 10. Inspira Exim Enterprise Private Limited 11. Inspira Buildcon Private Limited 12. Inspira Realty & Infra Private Limited 13. Ajanta Pharma USA Inc
Membership of committees	Member - Executive Committee and CSR Committee of Ajanta Pharma Limited
Terms and conditions of appointment	Liabile to be retire by rotation
Details of remuneration sought to be paid	N.A.



(CIN No. L24230MH1979PLC022059)

Redg. Office: Ajanta House, Charkop,
Kandivali (West), Mumbai – 400 067

Tel No.: 022 6606 1000

Website: www.ajantapharma.com

E-mail: investorgrievance@ajantapharma.com