

August 1, 2023

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

Sub: Notice of 36th Annual General Meeting and Annual Report for the financial year 2022-23.

Further to our letter dated July 28, 2023 intimating the date of 36th Annual General Meeting (AGM) of the Members of the Company and pursuant to Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, please find enclosed Annual Report for the financial year 2022-23 along with Notice of 36th AGM of the Company to be held on **Friday, August 25, 2023 at 3.30 p.m. IST** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") which is being sent to the shareholders of the Company through electronic mode.

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

Date and time of commencement of remote e-voting	Tuesday, August 22, 2023, at 9.00 a.m.
Date and time of end of remote e-voting	Thursday, August 24, 2023, at 5.00 p.m.
Cut-off date for determining the eligibility to vote by electronic means or in the AGM	Friday, August 18, 2023

Please take the information on record.

Thanking you,

Yours faithfully,
For AUROBINDO PHARMA LIMITED

B. Adi Reddy
Company Secretary

Encl: as above.

AUROBINDO PHARMA LIMITED

www.aurobindo.com

(CIN : L24239TG1986PLC015190)

PAN No. AABCA7366H

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**Promise
to performance.**

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Promise to performance

At Aurobindo Pharma Limited (APL), we embody the spirit of adaptability and innovation, recognising that these qualities are key to achieving true success. Our relentless pursuit of growth has led us to expand our product portfolio, encompassing a diverse array of oral products, general injectables, ophthalmic products, and more. Through strategic acquisitions, partnerships, and internal research and development, we continuously broaden our range of offerings to cater to the evolving needs of our valued customers.

But our ambitions extend far beyond our current horizons. APL aims to establish a formidable market presence on a global scale. By harnessing the power of innovation, we are steadfast in our commitment to launching scientifically advanced products that not only meet unmet medical needs but also deliver exceptional value to consumers worldwide.

Driven by purpose, we remain dedicated to making significant contributions to the fields of

anti-diabetic and oncology treatments. Through rigorous product trials and clinical testing, we tirelessly strive to pioneer breakthroughs that instil hope and yield improved outcomes for patients across the globe.

In our pursuit of global excellence, APL continues to expand its operations in China. With an ambitious plan to introduce a comprehensive range of new products, we are resolute in our determination to fortify our presence in this vital market.

Over the past year, we have celebrated numerous accomplishments and wground-breaking achievements, underscoring our unwavering commitment to excellence. However, we do not rest on our laurels. We place paramount importance on regulatory compliance and operational excellence, ensuring that our success is built upon a solid foundation of quality and sustainability.

About the report

Our integrated approach

APL has over three decades of experience, expertise in chemistry, world-class infrastructure, and a talented team. We are committed to sustainable business practices and creating value for all stakeholders. Our reporting process has been guided by the principles and requirements contained in the Integrated Reporting (IR) Framework.



The preparation process for this integrated report involves a structured content-gathering exercise across the entire organisation which is driven by cross-functional teams. This process is thorough and includes extensive interaction with multiple stakeholders both internal and external with a focus on future business and societal priorities.

REPORTING PERIOD

April 1, 2022, to March 31, 2023

REPORTING SCOPE AND BOUNDARY

The data in this report covers all our worldwide product manufacturing operations and R&D facilities, and marketing operations and includes all ingredient sourcing, patient management, product packaging, and warehousing facilities.

Sustainability performance is only of Manufacturing and R&D facilities and the initiatives taken by our corporate office in Hyderabad, India.

MATERIALITY

To ensure transparency and provide relevant information to stakeholders, we have included in this report all issues that could impact our ability to create and sustain value over the short, medium, and long term. In identifying and prioritising these material matters, we conducted a thorough review.

INTRODUCING OUR CAPITALS

Financial capital

We showcase financial discipline in our capital allocation practices. We employ cash generated through our operations, divestitures, and financing from debt and equity to sustain and evolve our business, distribute profits to shareholders, and fuel our expansion plans.

PAGE 40

Manufactured capital

By investing in capacity expansion, we can produce valuable products while ensuring operational reliability. These investments also aid us in controlling our environmental impact and meeting regulatory obligations.

PAGE 46

Intellectual capital

Our competitive advantage at Aurobindo Pharma is reinforced by a combination of technologies, software, procedures, and protocols. Furthermore, we reinforce our strong foundation through various initiatives such as operational excellence and digitalisation.

PAGE 52

Human capital

To fulfil our purpose of generating continuous value for stakeholders and effectively managing our business, we require a talented, diverse, and innovative workforce with appropriate skills and experience. We aim to remain a highly respected employer by establishing an inclusive environment

that promotes critical skills retention, fosters career development and maintains a robust leadership and management succession plan.

PAGE 56

Social and relationship capital

At APL, we strive to establish a supportive environment for our operations and investment by incorporating the interests of our stakeholders and fulfilling our commitments. We actively engage with our stakeholders to adopt a multi-stakeholder approach to tackling challenges and achieving our strategic objectives.

PAGE 66

Natural capital

We use a variety of natural resources to develop products that promote good health and combat illnesses. Our plant operations require energy and water, but our sustainability focus has enabled us to achieve a significant degree of self-sufficiency. We have long been committed to the 3Rs (Reduce, Reuse, Recycle), facilitating efficient resource utilisation, and we are gradually transitioning to renewable energy resources to reduce our reliance on non-renewable resources.

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FEEDBACK AND CONTACT

Your suggestions, views, and opinions allow us to further improve our reporting. Please email your feedback to: jvnreddy@aurobindo.com

2023 at a glance

A year of many highs



DRIVING ECONOMIC GROWTH

₹24,855 CR
Revenue

₹13,562 CR
Gross profit

₹3,758 CR
EBITDA

₹1,928 CR
Net profit

ENVIRONMENTALLY CONSCIOUS

17%

Reduction in carbon emissions from baseline year FY20 (Achieved more than 100% of 2025 target)

62%

Hazardous Waste is sent for Co-Processing for use as alternate fuel in Cement units against target of 60% (Achieved more 100% of 2025 target)

29%

Reuse of treated wastewater out of total wastewater generated (273,345 KI)

~12%

Utilisation of renewable energy in operations against target of 20% (Power to Power) (288,995 GJ)



ENSURING TRANSPARENCY

50%

Of the Board comprises Independent Directors, of whom 2 are women

16+ YEARS

Average tenure of the Directors on our Board

₹76.3 CR

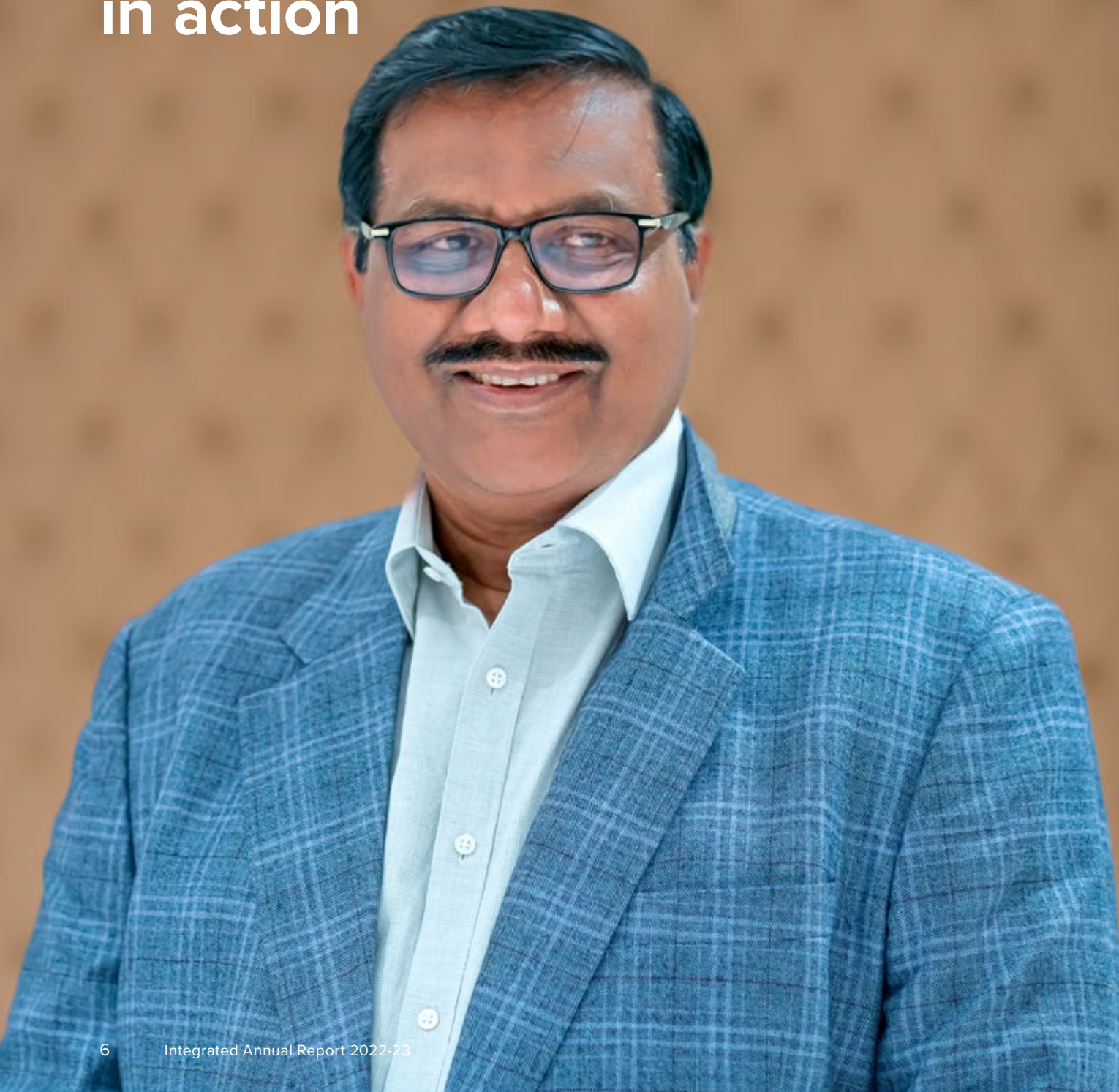
Total CSR spend

7.38 LAKHS

Lives impacted through CSR interventions

Vice Chairman & Managing Director's review

Excellence in action



Dear Stakeholders,

We are pleased to present our inaugural Integrated Annual Report, encapsulating our progress and accomplishments across various financial and non-financial areas over the past year. Our steadfast commitment to innovation, sustainability, and operational excellence has enabled us to navigate challenging market conditions and emerge stronger than ever. As we reflect on the past year, we are confident in our ability to seize future opportunities and deliver long-term value to all stakeholders. Upholding our core values, we eagerly anticipate capitalising on the prospects that lie ahead.

₹24,855CR
Revenue from operations

43,000MWh
Solar power generation

Vice Chairman & Managing Director's review

In the face of adverse factors such as a challenging macro environment and intense competition within the industry, our company achieved favourable financial performance. In FY23, our total revenue from operations grew by 6% y-o-y, reaching ₹24,855 crore. Despite experiencing price erosion in our key US generics business and grappling with high input price inflation that compressed margins, we implemented multiple initiatives to enhance efficiency and offset margin pressures. Notwithstanding the challenging business environment, we remained committed to investments in R&D and capex projects, essential for our long-term sustainable growth strategy.

FY23 proved to be a significant and eventful year for Aurobindo, as it marked our first complete year of business after the pandemic. Despite global uncertainties and the potential threat of a recession in major economies, India's strong fundamentals and supportive policies enabled us to showcase resilience and achieve widespread economic growth. The strength of our diversified product portfolio and global market presence mitigated the negative impact, highlighting the robustness of our business model and strategies. Leveraging our diverse portfolio and global presence, we will continue to drive growth and deliver value to stakeholders in the years ahead.

EXPANDING LEADERSHIP AND EMPOWERING OUR LEADERS

Our commitment to expanding leadership and empowering our leaders has been a cornerstone of our progress.

We have successfully transitioned to a more decentralised structure, appointing a dedicated CEO and Board for each vertical within our Company. This transformation marks a pivotal moment for us, fostering increased accountability and ensuring the development of strong leaders for the future. By moving away from a centralised approach, we cultivate a culture of innovation, agility, and adaptability that will propel us forward into new realms of success. Our efforts to expand leadership reflect our unwavering commitment to building a robust foundation that will support our continued growth and enable us to navigate the evolving landscape of the pharmaceutical industry with confidence.

PIONEERING CHANGE FOR A BETTER FUTURE

In today's world, the profound impact of climate change and irresponsible consumption leading to resource scarcity cannot be ignored. It is a crucial time to act responsibly and integrate sustainability into our business practices. Aligned with our purpose, we have remained unwavering in our commitment to enhance the well-being of the communities we engage with and nurture life on our planet through active environmental stewardship. We have set ambitious Environment, Social, and Governance (ESG) goals, including reducing carbon emissions, transitioning from traditional fuel sources to renewable energy, and implementing responsible water and waste management practices. Given we prioritise the well-being of our employees and partners, we have already made substantial progress in these areas.



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PRESERVING OUR PLANET

Our dedication to sustainability is evident in the steady increase in the adoption of sustainable packaging techniques and practices throughout the year. Furthermore, our efforts to promote sustainability within our supply chain continue to thrive. Through our dedication and investment, we have successfully established solar power generation capabilities, resulting in the generation and consumption of 43,000 MWh of solar energy in FY23. This achievement represents a significant step towards reducing our environmental impact and promoting cleaner energy sources. Additionally, our commitment to combat beyond-the-fence water pollution and alleviate the burden of antimicrobial resistance (AMR) has led us to implement wastewater treatment measures at our API manufacturing and formulation facilities. Our ultimate objective is to treat and reuse wastewater, ensuring responsible resource management and contributing to a healthier environment.

EMPOWERING GROWTH AND FOSTERING EXCELLENCE

Our core purpose is deeply rooted in prioritising our people, as we believe they are the driving force behind our success and the most valuable assets we possess. Through our continuous endeavours, we seek to empower and transform our organisation through our dedicated workforce. They are not only crucial partners in our journey to meet the needs of patients and create value for our stakeholders but also crucial contributors to our overall growth. We have formed collaborations with prestigious universities like ICFAI University and other well-known institutions to enhance and develop



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emerging leaders. As part of our Reward and Recognition initiative, we have implemented a comprehensive Performance Management System (PMS) to evaluate employee performance and establish a framework for acknowledging and rewarding individuals based on their achievements. To ensure our compensation and rewards remain competitive, we regularly conduct benchmark studies, comparing our practices with other reputable pharmaceutical companies.

HIGH-IMPACT SOLUTIONS AND COLLABORATIVE APPROACHES

Our commitment to society underlies everything we do, and this is exemplified through our work with neighbouring communities, reflecting our profound social purpose. We actively engage in various social development areas, including preventing malnutrition, controlling and eradicating diseases in rural communities, promoting sustainable agriculture, and empowering women. These efforts reflect our dedication to creating a healthier society

and a sustainable planet. With a focus on transforming communities and societies, we employ high-impact solutions, thought leadership, and collaboration. By embracing innovative approaches, we overcome critical obstacles and achieve greater impact. Working alongside like-minded partners, we develop scalable projects that have long-term effects. Our goal is to drive positive change and create a better future for all.

WAY FORWARD

In conclusion, I would like to express my sincere appreciation for our dedicated employees, esteemed partners, and supportive stakeholders. We take immense pride in the progress we have achieved thus far, and we remain committed to reaching even greater heights. I extend my gratitude to the Board for their invaluable guidance and to all stakeholders for their firm belief in our abilities. Your continued support is a testament to our shared vision, and we are truly grateful for the trust you have placed in us. Together, we will continue to strive for excellence and make a positive impact.

Regards,

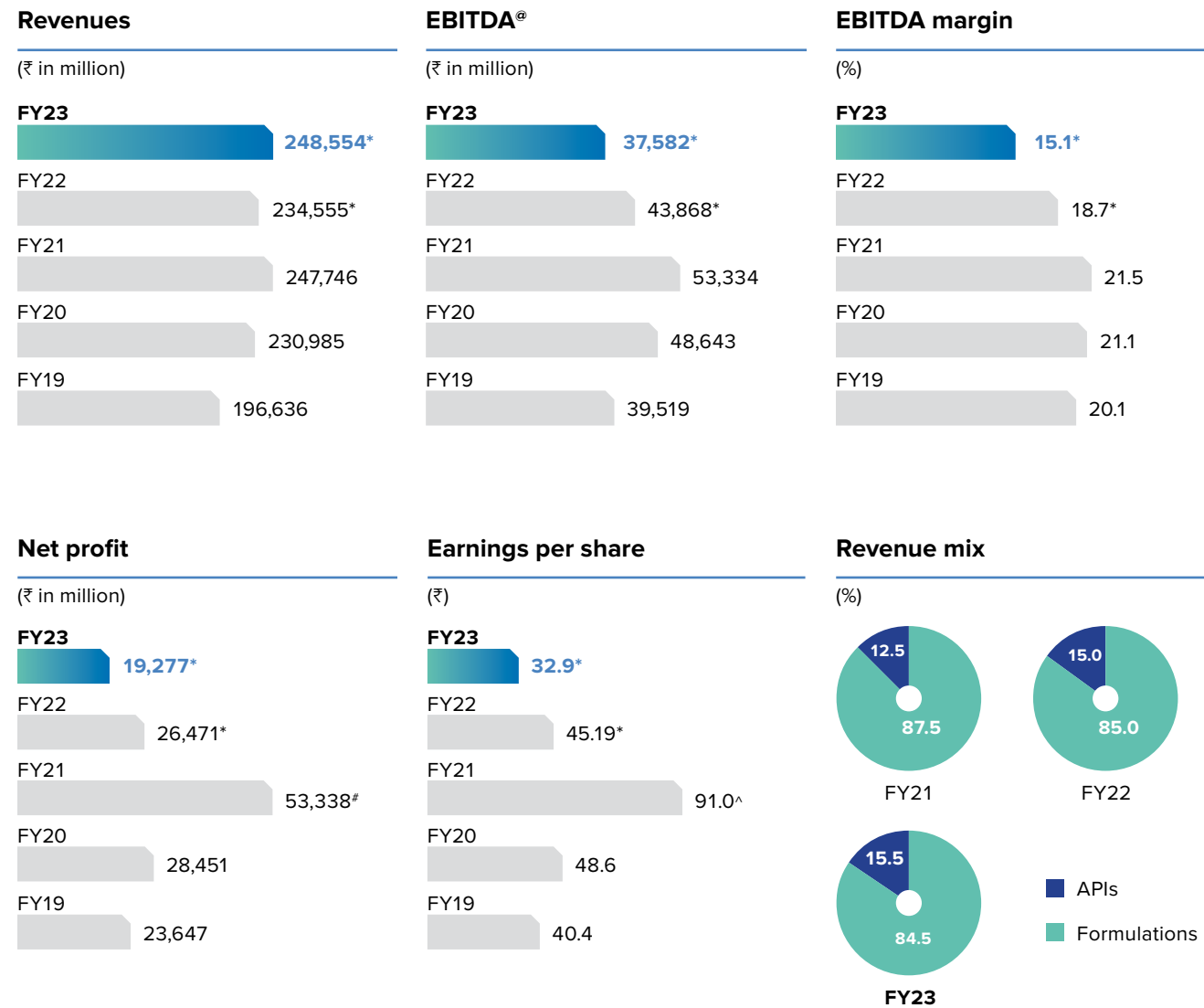
K. NITYANANDA REDDY

Vice Chairman & Managing Director

Key performance indicators

Resiliently ahead

PROFIT AND LOSS METRICS



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

*FY22 & FY23 numbers does not include Natrol.

[^]Excluding exceptional items, EPS for FY21 stood at ₹ 51.6 per share.

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

BALANCE SHEET METRICS



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

Aurobindo at a glance

Making a global impact

With remarkable growth and unwavering dedication, we have solidified our position as one of the top pharmaceutical companies worldwide. Our relentless pursuit of meeting evolving healthcare needs has been the key catalyst behind this success. As a top-tier Indian pharmaceutical company, we boast an expansive product portfolio infused with cutting-edge technology. Our focus on innovation and delivering quality healthcare solutions propels our steady growth and secures our prominent leadership position in the industry.

We are committed to providing advanced medicines across various therapeutic areas at affordable prices. Our dedication has helped establish the company as an industry leader, catering to the global population with our wide range of medicines. As we strive to achieve even greater heights, we remain committed to innovation and continuously meet the medical industry's changing demands.

VISION

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

MISSION

To become the most valued pharma partner in the world pharma fraternity by continuously researching, developing

Our focus on capability development has contributed significantly to our success in submitting Drug Master Files (DMFs), Abbreviated New Drug Applications (ANDAs), and formulation dossiers. As one of the most frequent filers of DMF and ANDA in the United States, we prioritise innovation to stay ahead of the curve.

OUR STRENGTH

25

State-of-the-art manufacturing and packaging facilities

150+

Countries with export presence

9

R&D centres

1,500+

Scientists and analysts involved in R&D



Aurobindo at a glance

OUR BUSINESS SEGMENTS

Formulation

Our approved formulation production capabilities prioritise technology and knowledge to offer a diverse product portfolio.

We have 15 formulation manufacturing & packaging facilities in India, USA, Portugal, and Brazil accredited by regulatory bodies such as FDA, EMA, and ANVISA. All our formulation units have Voluntary Action Initiated (VAI) status.

In the US, APL ranks #1* in terms of prescription share and has a presence across orals, injectables, OTC and branded Oncology segments. It also has 774 ANDA filings as on 31st March '23, including 565 final approvals.

In Europe, APL has a presence in 10 countries with full-fledged Pharmacies, Hospitals, and Tender sales infrastructure. It ranks amongst the Top 10 generic companies in 8 countries, including four of the top-5 EU countries.

(*as per IQVIA for quarter ending 31 March '23)

API

With our strong expertise in process chemistry and the benefits of large-scale production, we have established ourselves as a cost-effective supplier of active pharmaceutical ingredients (APIs). In FY23, 53% of the API requirements for formulations were sourced in-house. This integrated approach, coupled with the fact that all API units, except one, have a VAI status, provides us with a significant advantage. By having control over the API supply chain, we can mitigate potential disruptions and minimise the impact of inflationary shocks. This strategic advantage enables us to gain a larger market share in key markets, further strengthening our position in the pharmaceutical industry.



US

₹11,654CR

Revenue from the US

47%

Contribution to the total revenue mix

6.6%

5-year revenue CAGR in US

Some of the notable product approvals we received during the year include:

- Lenalidomide Capsules
- Pemetrexed for injection
- Amphotericin B Liposome for Injection
- Medroxyprogesterone Acetate Injectable Suspension
- Vasopressin Injection USP
- Triamcinolone Acetonide Injectable Suspension
- Bortezomib for Injection

Europe

₹6,426CR

Revenue from Europe

26%

Contribution to the total revenue mix

6.7%

5-year revenue CAGR in Europe

Growth market

₹1,973CR

Revenue from growth markets

8%

Contribution to the total revenue mix

13.4%

5-year revenue CAGR in Growth Markets

31%

y-o-y growth

ARVs

₹954CR

Revenue from ARV

4%

Contribution to the total revenue mix

We have announced the signing of a voluntary license with the Medicines Patent Pool for Cabotegravir Long-Acting Injectable for HIV pre-exposure prophylaxis (PrEP) in 90 countries, including India.

₹3,848CR

Revenue from APIs

15%

Contribution to the total revenue mix

9%

y-o-y growth

53%

API requirements for formulations were sourced in-house



Aurobindo at a glance

BIOSIMILARS

CuraTeQ Biologics Pvt. Ltd, a wholly-owned subsidiary of APL, is a company focused on developing biosimilars for the treatment of various cancers and autoimmune diseases. Biosimilars are biologic products that are highly similar to their reference or originator products in terms of their pharmacokinetics, pharmacodynamics, efficacy, and safety. CuraTeQ's pipeline consists of fourteen biosimilars, primarily targeting the immunology and oncology segments. The company believes that this extensive pipeline will contribute to sustained growth and long-term value creation. CuraTeQ has completed licensure clinical trials for three biosimilars including that of a Herceptin biosimilar and had filed its biosimilars with EMA, MHRA and Health Canada regulatory agencies. Two more products from CuraTeQ's pipeline, one an oncology biosimilar and another an ophthalmic biosimilar, are in global Phase 3 clinical studies. Another immunology biosimilar has received the necessary clearances for advancing to Phase 3 clinical studies in chronic spontaneous urticaria patients.

14

Biosimilars currently in our product pipeline

Immunology & Oncology

Target therapeutic segments

3

Products in Phase 3 clinical trials

DERMATOLOGY

We are involved in the development of topical and transdermal products within the dermatology therapeutic segment.

Topicals

We have filed 4 new and 2 supplemental ANDAs during the FY23. We have also completed 11 exhibit batches which will be filed in FY24. Additionally, there are about 29 products which are at various stages of development, including a range of specialised products such as foams, shampoos etc. We have also developed in-house capabilities to carry out in-vitro studies which serve as a surrogate to clinical endpoint studies to reduce the filing timelines and cost of development. Also, we have received final approval for a topical product filed from the facility in the US.

48

Products in portfolio including 29 under development

4

New ANDAs filed in FY23

2

Approved ANDAs

Transdermal patches

A transdermal patch is a specialised adhesive patch that is applied to the skin to deliver a specific dosage of medication directly into the bloodstream. These patches are designed to provide relief from various conditions and contain medications such as pain relievers, nicotine, hormones, and drugs used to alleviate angina and motion sickness. By delivering the medication through the skin, transdermal patches offer a convenient and controlled method of administration.

We are developing 9 transdermal patches and one oral film product. The total market size for the products under development exceeds \$3 billion. We have successfully completed pivotal pharmacokinetic studies and expect to file ANDA in FY24. The plan is to complete 2 new products Exhibit batches including one OTC monograph product.

10

Products in development stage

RESPIRATORY

Within the respiratory segment, we are developing Nasal sprays and Inhalers, which include both Metered dose inhalers (MDI) and Dry powder inhalers (DPI).

Nasal sprays

Nasal sprays are utilised to administer medications directly to the nasal cavity, as the nasal route allows for quicker absorption of chemicals. In certain cases, nasal administration is preferred over injections or pills.

12

Nasal sprays in portfolio including 9 under development

2

Products with approved ANDAs

We have filed a complex new ANDA suspension product in a new line where in bigger batch size can be taken to meet the anticipated commercial demand. We have also received ANDA approval for one OTC product. To strengthen our portfolio, we have expanded our development to unit dose new device-based Nasal products including medication for emergency use. We have 12 Nasal products in our portfolio, including 1 ANDA awaiting approval.



Aurobindo at a glance

Inhalers

Delivery of medication into the body through the lungs can be done by a medical device known as an inhaler. Our focus in recent times has been on treating respiratory disorders, which have high entry barriers due to the rigorous clinical trial requirements and establishing similarities to the reference listed drug.

Our state-of-the-art manufacturing facility in the US, with a new high-speed filling machine was commissioned in CY23. We are currently working on 4 MDIs including 1 filed ANDA and two DPLs. The estimated current US market size of the products under development is more than US\$11 billion.

1

ANDAs filed

5

Products under development

DEPOT INJECTIONS

For one of the depot injectables (which is based on a nano-suspension platform), exhibit batches were successfully manufactured. We are currently finalising the clinical strategy for this product. The other two products are in the advanced stages of development. Eugia also secured approvals for long-acting injectable suspension products like generic versions of Kenalog® & Depo-Provera®.

3

Products under development

VACCINES

At Auro Vaccines Pvt Ltd, we are guided by the purpose of developing vaccines that can prevent disease and save the lives of people across the world. We are laying good foundations in our R&D by choosing to develop vaccine candidates with the potential to address significant unmet needs of public health in low and middle-income group countries.

Our PCV15 vaccine, developed with our JV partner Tergene Biotech (which is 80% owned by our company), has completed a successful 3+0 trial in 1,130 paediatric subjects and is being tested in a 2+1 dosing regimen in another ongoing clinical study. Based on the outcome of the 3+0 clinical study, the vaccine received a recommendation from the Subjects Expert Committee that operates under the aegis of CDSCO for a grant of permission to Tergene to manufacture and market the vaccine with a three-dose schedule in the paediatric age group of 6, 10 and 14 weeks. This data indicates that our 15 valent pneumococcal vaccines are expected to provide protection against the serotypes covered by Pfizer's PREVNAR 13 while also extending coverage to two additional pneumococcal serotypes that can cause potentially severe disease in infants. We believe that we will be able to obtain the manufacturing license for this vaccine in FY24, after which the product will be launched to address the pressing need for effective pneumococcal vaccines in India. The vaccine will be manufactured at Auro Vaccines Pvt. Ltd.

PEPTIDES

Peptide-based drugs, which are short chains of amino acids with molecular weights typically ranging from 500 to 5,000 Da, have gained traction in the pharmaceutical industry due to advancements in chemical synthesis techniques. Auro Peptides is our subsidiary company that focuses on developing peptide-based generic APIs, with a specific focus on oncology and diabetology segments.

Auro Peptides has five cGMP manufacturing lines allowing the flexibility to generate peptides from milligrams to kilogram quantities. By the end of FY23, we have filed 14 peptide API DMFs with US FDA. Out of which, our DMFs have contributed to three ANDA approvals thus far.

14 DMFs

Submitted with US FDA

Oncology and Diabetology

Target therapeutic segments

3 ANDA

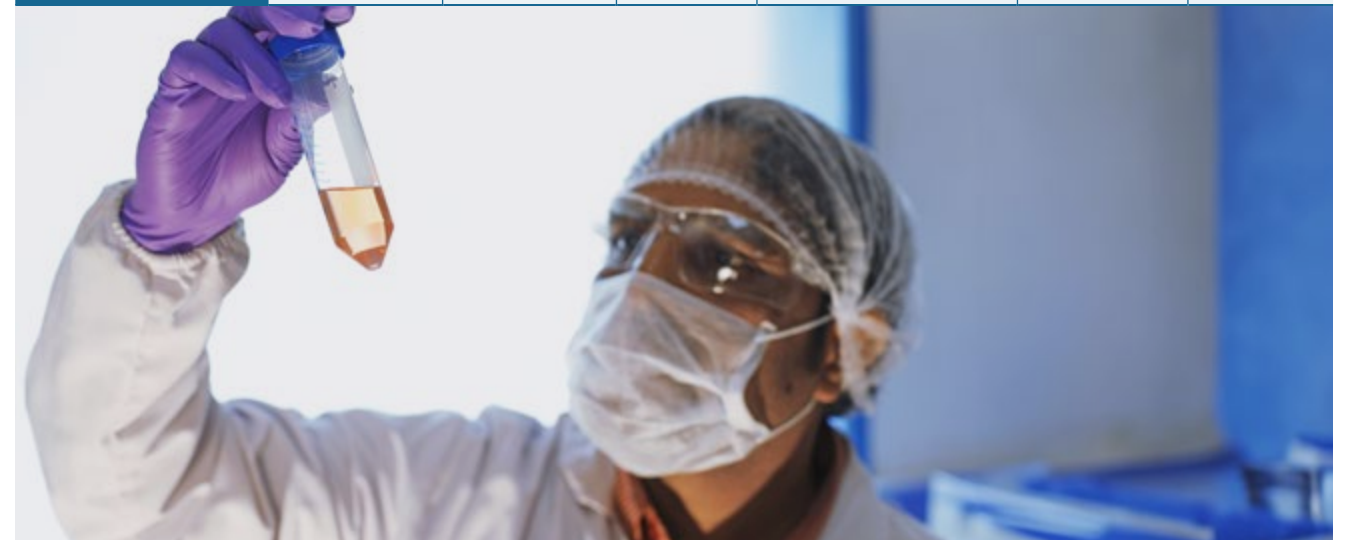
Approvals using our peptide APIs

EUGIA

Eugia Pharma is a Specialty Generic Pharmaceutical Company. It has six manufacturing units located in different locations in India and the US, each contributing to the production of a diverse range of differentiated and unique products such as Oncology, Hormonal, Penems, Penicillin, Ophthalmic, and General injectables.

1. Oncology & Hormonal plant, Eugia Pharma Specialities Limited Shamirpet, Hyderabad (Eugia-1)
 2. Penems Plant: Eugia Pharma Specialities Limited, Bhiwadi, Rajasthan (Eugia-2)
 3. General Injectables plant:
 - Eugia Pharma Specialities Limited Eugia, Pashamylaram, Hyderabad (Eugia-3)
 - Eugia Steriles Private Limited, Vizag – To be commercialised
 - Eugia US Manufacturing LLC, New Jersey, USA – To be commercialised
 4. Penicillin Injectables plant, Eugia SEZ Private Limited, Jadcherla, Hyderabad (Eugia-4)
- More than 200+ dedicated scientists are working towards the development of differentiated products at Eugia's own state-of-the-art R&D centre.

Eugia Manufacturing Units	Eugia-1	Eugia-2	Eugia-3		Eugia-4	Total
Products Manufactured	Oncology/Hormones	Penems	Gen Injectable	Ophthalmic/Inhalation-Oral Respules	Penicillins	-
Approved	34	2	91	11	10	148
Tentative Approval	6	-	2	1	-	9
Filed	18	-	27	13	1	59
Total	58	2	120	25	11	216
FY23 Launches in USA	8	-	11	1	-	20



Our global presence

Making healthcare accessible

As a healthcare Company, we strive to bring accessible and high-quality services to people worldwide. With a strong focus on compliance and quality, we have expanded our manufacturing facilities across both advanced and emerging markets. This broad reach allows us to gain a comprehensive understanding of diverse customer needs, enabling us to provide agile solutions to those who need them most.



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

Business model

OUR RESOURCES

INPUT

OUTPUT

OUTCOMES

Financial

- Strong financial foundation supporting sustained business growth
- Strong balance sheet and high liquidity buffer
- Investment in growth opportunities

- **₹268,519 million:** Shareholders' fund
 - **₹15,905 million:** Net Cash
- Figures as on March 31, 2023

Manufacturing

- Globally competitive, scalable, and widely accredited manufacturing facilities
- Regulatory approval by major agencies such as US FDA and EMA.

- **150+** markets served
- **25** no. of facilities

Intellectual

- Enhanced research and development capabilities
- Goal-driven product development

- **1,500+** scientists
- **₹14,115 Mn** spent on R&D
- **774** ANDAs filed
- **276** DMF filed
- **813** Patent applications filed
- **4,359** formulation dossiers and **3,718** API product filings in other markets (excluding USA)

Human

- Ensure equality and fairness
- Championing diversity
- Promoting inclusivity

- **33,000+** Global workforce including both permanent employees and contractual workers

Social and relationships

- Improving quality of lives
- Enhancing choices and capabilities

₹76.3 crores in CSR spend

Natural

- Striving towards a net-zero future
- Establishing a robust and resilient value chain

- **17%** reduction in carbon foot print from baseline year FY20
- **29%** reuse of treated wastewater out of total wastewater generated
- **~12%** utilisation of renewable energy (Power-Power)
- **100%** reuse/recycle of Non-Hazardous waste

Delivering on sound and scalable strategies



Key markets

- USA
- Europe
- Growth Markets



Value chain

- Research and development
- Filing and registration
- Robust manufacturing
- Supply chain management
- Effective sales and marketing



Strategic priorities

- Expanding manufacturing scale and market presence
- Nurturing and empowering talent
- Diversifying portfolio
- Promoting inclusive growth
- Continuous innovation for product development and operational excellence



Key therapeutic segment

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

Operating context

By analysing the external environment in which we operate, we are able to identify potential risks and opportunities. This helps us to align our strategic priorities with the current market conditions.

- **₹24,855 crores** Revenue
- **₹3,758 crores** EBITDA
- **₹1,928 crores** PAT
- **₹3** Dividend per share declared in FY23

- Sustainable earnings growth and return
- Maximising shareholder value
- Consistent growth trajectory

- **~41 billion** units of diverse dosage forms manufactured in FY23
- **34** new products launched in the US in FY23

- High quality, affordable medicines and products
- Strong manufacturing capabilities
- Competitive product portfolio

- **565** ANDA Filings approved
- **178** patents granted

- Innovative product R&D process
- Focus on filing of complex products

- **12%** of females in total workforce
- **19%** employee turnover
- **0** fatalities and **0.02** LTIFR

- Diverse and motivated workforce
- Diversity at the workplace (gender, ethnicity, and differently abled)
- Actively engaged employees

- **7.38** Lakh beneficiaries

- Enhanced the quality of education
- Equal opportunities for the underprivileged and marginalised sections of the society
- Provided core employability skills to youth

- **14,623 MT CO₂e** of Emission Reduction in FY23 from baseline year
- **14.81%** water intensity
- Achieved about **38%** water conservation
- **62%** hazardous waste sent for co-processing for use as alternate fuel to cement industry

- Minimising environmental footprint through comprehensive measures and sustainable practices
- Maximising resource efficiency through optimised processes and operations
- Implementing innovative solutions for energy and water conservation

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Operating landscape

Transforming for tomorrow

The highly regulated pharmaceutical industry adheres to strict quality standards enforced by the government to protect public health. With continuous advancements in technology and research, the industry has transformed over the last decade and is expected to evolve in the future rapidly. This dynamic environment offers opportunities to create value for stakeholders through an innovative and agile strategy along with effective risk management.



GLOBAL PHARMACEUTICAL MARKET

According to IQVIA's "Global Use of Medicines 2023" report, global spending on pharmaceuticals is expected to grow between 3-6% through 2027, resulting in a market worth US\$1.9 trillion by 2027.

INDIAN PHARMACEUTICAL MARKET

The pharmaceutical industry in India is expected to reach US\$65 billion by 2024 and US\$130 billion by 2030. The industry received a significant boost from the Union Budget 2023, with the fund allocation of ₹1,250 crore for the promotion of bulk drugs and medical device parks in the country. The nation is the largest producer of generic medicines in the world, accounting for 20% of market share by volume, and is the leading vaccine manufacturer globally.

GROWTH DRIVERS

Ageing population

The world's elderly population will almost double from 12% to 22% between 2015 and 2050, with 80% of older individuals residing in low- and middle-income nations by 2050. The demand for over-the-counter medications, generics, and branded pharmaceuticals will increase in developed and developing countries, driven by the ageing population. In the medium and long term, there will be a surge in demand for treatments for chronic illnesses.

With exports to 150+ countries and a wide-ranging product portfolio, Aurobindo Pharma is positioned favourably to service this future growth in demand.

Growth of Biosimilars

According to Mordor Intelligence, the worldwide biosimilars market is estimated to be worth US\$30 billion in 2023, which is expected to reach US\$70 billion by 2028, with a CAGR of 18% over 2023-2028.

Through our subsidiary CuraTeQ Biologics, we are actively involved in the development of biosimilars. It has a

pipeline of 14 products with a potential market size of approximately US\$50 billion. In FY23, we accelerated our biosimilar development programme, allocating 39% of our total research and development (R&D) expenditure to this area. We are working towards commercialisation of our biosimilar pipeline starting in 2024, based on the outcome of the regulatory inspections.

India's growing influence in global generic drug export

Indian generic pharmaceutical companies are witnessing a significant increase in exports. India currently supplies approximately 20% of the global demand for generic drugs. In FY23, India exported US\$25.4 billion worth of pharma products, registering 3.25% y-o-y growth.

Aurobindo Pharma with its proven capacity for product filing in the regulated markets and extensive manufacturing footprint, is committed to further expanding the generic pharmaceuticals exports.

Reducing reliance on imports and expanding domestic manufacturing capacities

In response to geopolitical factors and stringent COVID policies imposed by some countries, companies worldwide are actively seeking to diversify their supply chains. Recognising this trend, the Indian government has implemented Production-Linked Incentives (PLI) Scheme to encourage domestic players to establish manufacturing capacities in API and Key Starting Materials (KSMs).

We have strategically capitalised on this opportunity to build a Penicillin-G manufacturing facility of 15,000 tonnes/annum capacity. The project has been

progressing as planned and is expected to be completed in FY24.

This development aligns with APL's commitment to enhancing supply chain reliability and reducing dependence on external sources, as highlighted in our integrated report.

Expanding presence and tapping into new growth markets

In response to the plateauing growth of pharmaceutical sales in developed countries, drug makers are now turning their attention towards emerging markets as potential sources of revenue and growth. Recognising this shift, APL has strategically increased its presence in key markets such as India and China. Furthermore, the Company is actively exploring untapped emerging markets to capitalise on new growth opportunities. This strategic emphasis on expanding into emerging markets aligns with APL's long-term vision to diversify its revenue streams and drive sustained growth in the pharmaceutical industry.



OPPORTUNITIES

- Commencing commercial operation of the Penicillin-G project, addressing domestic demand of the product and reducing reliance on imports.
- Growing the injectable business in Europe and Growth Markets through commissioning of the Vizag facility.
- Commercialisation of the biosimilar pipeline and initiating commercial operations of the CuraTeQ Biologics facility.
- Launch of the 15 Valent Pneumococcal Conjugate Vaccine product.
- Manufacturing complex generic products like Nasal, Inhaler, Derma, Transdermal etc. with the commissioning of the Windsor New Jersey plant.
- Expanding the portfolio through new launches of oral and injectable products in the US generic market to capture growth and increase market share.
- Prioritising API business growth with special focus on external customers, to ensure optimum utilisation of the existing capacity.
- Exploring untapped global markets, including China and the domestic formulation market, for new growth avenues.

Strategic priorities

Shaping a future with innovations

Our strategic priorities drive our vision for the future. With a focus on innovation, patient centricity, and global expansion, we aim to deliver breakthrough solutions, enhance healthcare access, and solidify our position as a trusted leader in the pharmaceutical industry. These priorities define our commitment to excellence and position us as a leader in the dynamic pharmaceutical landscape.

ACCELERATING BIOSIMILARS

We continued to advance our Phase 3 clinical trials of two oncology and one ophthalmic biosimilar product in FY23. We have completed the treatment phase of our trastuzumab, a biosimilar to Herceptin, in a Phase 3 study comprising 690 metastatic breast cancer patients. We intend to file our version of trastuzumab biosimilar in India, select Emerging Markets, Europe and the US in FY24. Our ongoing Phase 3 trial for Bevacizumab, another oncology biosimilar, is progressing as planned.

Another significant opportunity for us is the biosimilar Omalizumab (Xolair) within the immunology space. We have advanced the Phase 1 clinical studies for the product in FY23 and are confident of initiating a Phase 3 global clinical study, in chronic spontaneous urticaria subjects, in FY24. We have made significant progress with another immunology biosimilar by submitting

for a Phase 1 study permission, and we are confident of evaluating its pharmacokinetics, pharmacodynamics, safety and immunogenicity in healthy subjects in FY24.

To support our future product launches, we have incurred a capacity expansion in both our microbial and mammalian drug substance manufacturing facilities. The additional microbial drug substance manufacturing capacities are commissioned for use already in FY23, while the two new mammalian production lines will be ready for use in FY24. This capacity expansion in the existing premises of CuraTeQ furthers our intent to build a fully integrated biosimilars organisation.



GROWING API BUSINESS

Our focus on expanding the API business has yielded significant progress and achievements in FY23. We are pleased to report 9.5% y-o-y growth in total API revenue, reaching ₹3,848 crore. To streamline our operations and enhance focus, we successfully transferred the API business to Apitoria Pharma Pvt. Ltd., our wholly-owned subsidiary and appointed a CEO to lead this business vertical.

During the year, our Unit XI API facility received an Establishment Inspection Report (EIR) from the US FDA, clearing the warning letter it previously received. This regulatory clearance highlights our unwavering commitment to compliance and positions Apitoria Pharma for stronger growth in the upcoming fiscal

year and beyond. With an emphasis on productivity and compliance, we are confident in the prospects of our API business and remain dedicated to its continued expansion and success.

LEVERAGING THE PLI SCHEME

We embarked on the construction of our Penicillin-G facility of 15,000 tonnes/annum capacity in FY22 which was awarded by the Government of India under its Production Linked Incentive (PLI) scheme. We made noteworthy progress in FY23 towards ensuring the timely completion of the facility in FY24. During the year, the company spent US\$91 million as capital expenditure (capex) specifically for the PLI project. This expenditure is part of the total capex amount of US\$121 million incurred towards the project up until March 31, 2023. Looking ahead, we are eager to complete the installation phase and initiate commercial production in the upcoming fiscal year.

TAPPING THE GROWTH MARKET

Currently, more than 90% of our revenue is derived from exports. However, with the government's efforts to improve healthcare accessibility, we recognise the potential for growth in the domestic formulations market. To capitalise on this opportunity, we are taking steps towards building our presence locally. We successfully integrated the acquired India formulation business of Veritaz into APL's growth market vertical in FY23. Additionally, we have completed the acquisition of a 51% stake in the domestic oncology business of GLS Pharma during the year. With these, we now have a strong foundation in place for future growth in the domestic market. Moreover, we are also tapping opportunities in other growth markets by expanding the product basket and building a commercial presence.

EXPANDING OPERATIONS IN CHINA

In FY23, we initiated operations at our China facility by conducting exhibit batches of products for regulatory filing. By March 2023, we have successfully completed exhibit batches for eighteen products intended for filing in Europe and China. As for products imported from India, we have filed thirty products in China, with six approvals received thus far for Pantoprazole, Sildenafil, Levetiracetam, Mirtazapine, Aripiprazole, and Amlodipine. Once approved for manufacturing at the China facility, the manufacturing of these products will gradually be shifted from India.

Regarding product manufacturing for Europe at the China facility, we have scheduled the EU GMP Audit and initiation of regulatory filing in H1FY24. The commencement of the contract manufacturing operations is expected in 2024. This strategic move will enable us to leverage the capabilities of our China facility for expanding our business in Europe.

Our sustainability approach

For sustainable excellence from lab to planet

We are committed to creating a culture of accountability and strong ethics by integrating sustainability into its daily operations and strategy. The Company recognises the importance of using natural resources responsibly to meet the needs of patients and customers.

Aurobindo defines sustainability as the adoption of ethical business practices and the maintenance of moral, inclusive, and environmentally sound strategies, procedures, and operations. A systematic approach to integrating Environmental, Social, and Governance (ESG) principles across the value chain is at the core of APL's sustainability strategy.

The Company's materiality evaluation serves as the main source of direction, identifying important material concerns to the Company and its stakeholders. By prioritising sustainability, we aim to uphold its commitment to ethical business practices while contributing to a more sustainable future.



RESPONSIBLE MANUFACTURING

The focus of our sustainability efforts at APL is centred around the responsible and sustainable use of natural resources, including energy, water, and waste management. We also prioritise addressing critical issues such as Pharmaceuticals in the Environment (PiE) and Antimicrobial Resistance (AMR) as part of our sustainability agenda.

SOCIAL EQUITY

We strive to create a culture that values diversity and promotes a sense of community among our employees. Our approach emphasises investing in the learning and development of our human resources, providing opportunities and ensuring work-life balance for our employees.

EFFECTIVE GOVERNANCE

We believe in the need for a governance framework that goes beyond mere compliance and focuses on effectiveness in ensuring ethical and responsible behaviour.

SUSTAINABLE SOURCING

We ensure the supply chain is built on a foundation of ethics, transparency, and accountability. It involves working with suppliers and partners who share our commitment to responsible business practices.

HEALTHCARE ACCESS

Making medication available and affordable to those in need is at the centre of our values. This involves developing and implementing strategies to ensure that our products are accessible to people with different levels of income.

CORPORATE SOCIAL RESPONSIBILITY

Our Company promotes community engagement and empowerment by providing comprehensive social value.

Stakeholder engagement

Engaging stakeholders for sustainable pharma solutions

STAKEHOLDER ENGAGEMENT

We recognise the importance of the relationships we have cultivated with our stakeholders over the years, as they are essential to our growth and sustainable development. Their involvement is highly valued, whether it comes from investors who provide financial support or from the communities that grant us social permission to operate.

OUR STAKEHOLDER GROUPS

Our stakeholders' material concerns, including ESG and economic factors, are crucial to our decision-making process, and we consider them a top priority. We align our operations with these priorities to achieve inclusive growth. The Board and Management have identified key stakeholders and mapped out focus areas to drive meaningful impact.

Internal stakeholder

Employees, senior management, and the steering committee

External stakeholder

Suppliers, healthcare experts, investors, and non-governmental organisations (NGOs)

Why we engage

Healthcare professionals

We collaborate with healthcare professionals to understand patient needs and gather feedback on medication development and administration, ensuring maximum patient benefit.

Employees

APL recognises that employees play a vital role in achieving success. Therefore, we have a people-first strategy that prioritises individual development, which ultimately benefits the Company's success.

Investors

APL engages with investors to secure financial capital for business continuity and growth, promote good corporate governance, and provide transparency.

Suppliers

We engage with API suppliers, input material providers, and service providers to ensure continuity of operations, minimise supply chain risks, and optimise business operations.

Communities, NGOs, and government bodies

APL partners with communities, NGOs, and government organisations to create sustainable solutions, engage in social development activities, and make a positive impact that benefits both the communities and the Company.

How we engage

- Meetings
- Conferences
- Seminars

- Employee engagement and training
- Interactions with senior leadership
- Various HR communication and initiatives

- Investors engagement

- Visits
- Meetings
- Audits
- Facility visits

- Identifying community needs and encouraging community ownership through engagement
- Partnering with NGOs to execute CSR projects and conduct the necessary assessment
- Collaborating with government bodies to achieve holistic development aligned with state and national agendas and policies

Focus areas

- Affordable medicines
- Emergency medicines
- Breakthrough cure

- Diversity
- Occupational health and safety
- Succession planning
- Technical upskilling
- Learning and development
- Code of conduct

- Capital allocation
- Reporting and disclosure
- Economic performance

- Incorporation of industry best practice
- Economic growth and financial stability

- Education and skill development
- Eradication of hunger and poverty
- Sustainable agriculture and environment protection
- Disaster and healthcare relief programmes
- Other rural development activities

UN SDGs



Materiality assessment

Connecting through meaningful engagements

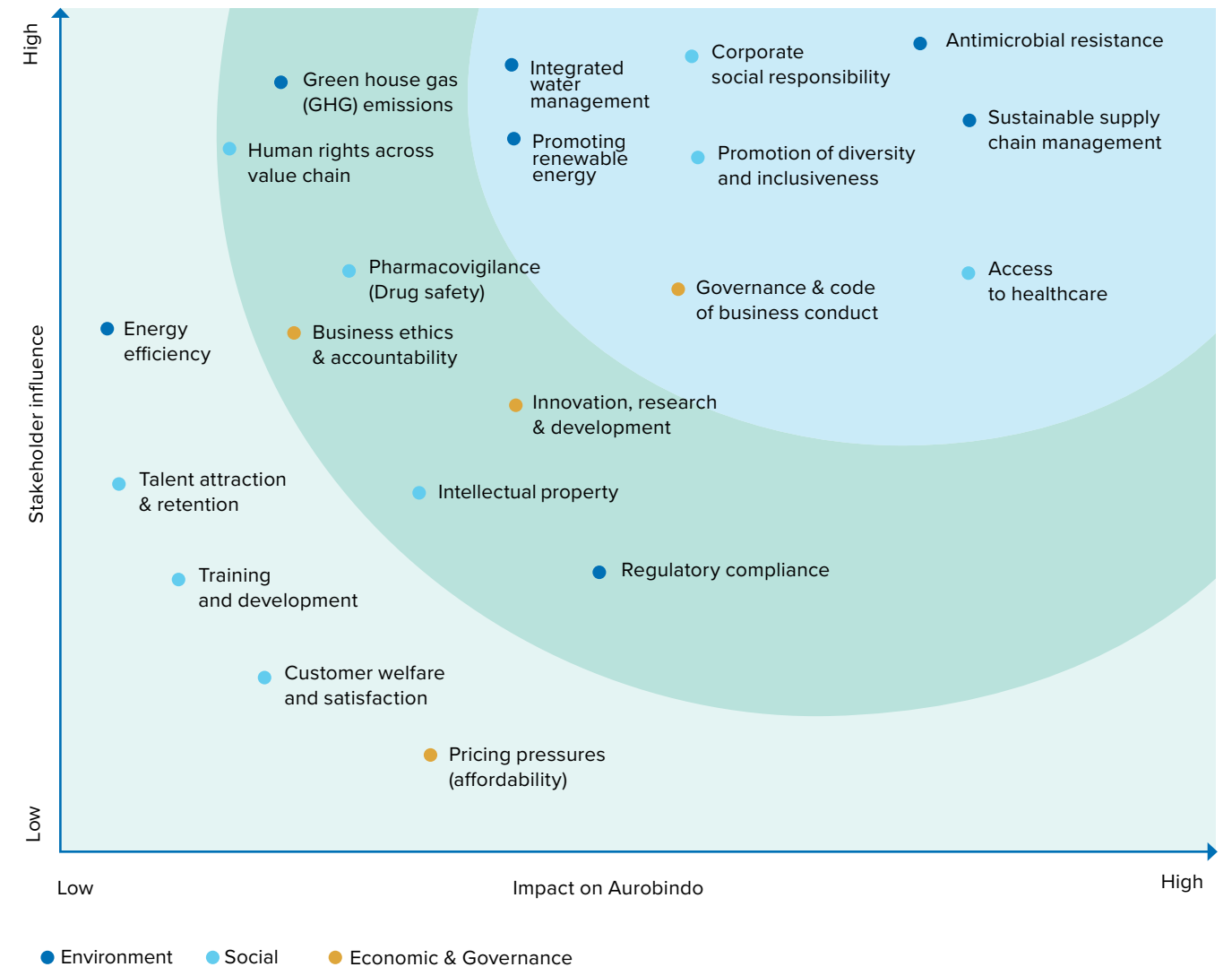
Our sustainability strategy is based on a materiality assessment that identifies key Environmental, Social, and Governance (ESG) issues as well as economic issues. This assessment helps us prioritise our actions and focus on areas where we have the most capacity to make a positive impact.



MATERIALITY ASSESSMENT PROCESS

- | | | | | |
|---|--|---|--|--|
| <p>Issue identification</p> <p>Developed a list of issues using industry trends, studies, and discussions with senior management</p> | <p>Evaluation of issue</p> <p>Evaluated each issue for its significance and impact on business objectives and risks</p> | <p>Stakeholder engagement</p> <p>Engaged with stakeholders through surveys and interviews to establish sustainability priorities</p> | <p>Analysis of concerns</p> <p>Analysed each concern against external reporting standards</p> | <p>Assessment of significance</p> <p>Assessed the significance of each issue by integrating stakeholder feedback with regulatory and reporting requirements</p> |
|---|--|---|--|--|

MATERIALITY MATRIX



Materiality assessment

The table below maps material issues with key risks and opportunities:



ENVIRONMENT

Material Issue	Relevance for our stakeholder	Risk	Opportunities	Approach
Sustainable supply chain management	Suppliers Investors	Lagging behind industry competitors Requirement for enhanced efficiency and cost minimisation	Creation of an accountable and clear supply chain. Supplier evaluation programme incorporating ESG aspects	Introducing a Supplier Code of Conduct and ensuring adherence to the policy via engagement and audits with partners and suppliers Transitioning towards eco-friendly logistics
Antimicrobial resistance	Customers Healthcare experts	Health risk	Sustainable manufacturing practices Improved brand reputation Collaboration strategy to address antimicrobial resistance (AMR)	Working towards achieving Predicted No-Effect Concentrations (PNECs) goals for antibiotics in wastewater, following the AMR Industry Alliance targets
Integrated water management	Government and regulatory bodies	Location-specific water scarcity Depletion of groundwater Fluctuating regulatory environment	Lower dependence on freshwater extraction via rainwater harvesting and cost savings. Improving brand image through water neutrality/positivity Water offset initiatives	Implementation of water conservation programmes through rainwater harvesting. Enhancing water reuse and recycling
Promoting renewable energy	Government and regulatory bodies Investors	Shift towards renewable energy by peers Increasing energy cost	Decrease reliance on traditional energy sources Lowering expenses and enhancing brand image through carbon neutrality/positivity	Strategy to achieve carbon neutrality/positivity Installation of solar rooftop projects and implementation of carbon offset initiatives

SOCIAL



Material Issue	Relevance for our stakeholder	Risk	Opportunities	Approach
Corporate social responsibility	Communities Employees	Opposition from the local communities	Enhanced brand image Social license to operate	Execute CSR initiatives based on necessity, with evaluation of their impact
Promotion of diversity and inclusiveness	Employees	Increasing attrition rates	Enhanced brand image Talent retention	Encouraging gender balance and equal opportunities Integrating diversity and inclusivity into recruitment procedures
Access to healthcare	Customers Healthcare experts	Postponement in the availability of medicines for patients in need	Opportunity to develop a robust pipeline of medicines for unmet medical needs. Brand image	Ensuring medicine accessibility and enhancing community interaction through health camps Enhancing product registrations in diverse nations



GOVERNANCE

Material Issue	Relevance for our stakeholder	Risk	Opportunities	Approach
Governance and code of business conduct	Government and regulatory bodies Investors	Continuous high priority aligned with Aurobindo Pharma's principles	Sustainability Committee at the Board level Integrating more environmental, social, and governance (ESG) factors into business operations	Exceeding compliance standards with the highest levels of governance

Sustainability goals and progress

Charting a sustainable path to progress

We are committed to establishing ourselves as a prominent sustainable entity within the pharmaceutical sector. Our objectives stand as concrete proof evidence of our unwavering dedication and notable achievements in the field of sustainability. These targets have been meticulously developed incorporating valuable insights from our leadership team as well as feedback from both external and internal stakeholders.

To gauge our sustainability performance, we assess the extent to which we have attained our short- and long-term goals across six pivotal dimensions of sustainability, known as the sustainability pillars. This comprehensive evaluation allows us to track and measure our progress, ensuring that we are effectively advancing towards our vision of becoming one of the most sustainable companies in our industry.

Pillar	Goals-2025	Progress made so far	Status
Responsible manufacturing 	20% Renewable energy share (Power-to-Power)	Achieved 12% renewable energy share (Power-to-Power)	In progress
	12.5% Reduction in carbon footprint (as per SBTi – WB2C)	Achieved >100% -17% reduction in carbon footprint from baseline year FY20	Achieved
	Towards water neutrality 35% Water conservation / restoration	Achieved >100% -38% water conservation/ restoration	Achieved
	60% Co-processing of hazardous waste	Achieved > 100% - 62% Co-Processing of hazardous waste	Achieved
	100% Reuse / recycle of non-hazardous waste	Achieved 100%	Achieved

Pillar	Goals-2025	Progress made so far	Status
Sustainable sourcing 	100% Of key starting material suppliers in India of finished dosage forms (Drug product) shall be assessed on supplier's code of conduct	Achieved 50%	In progress
Social equity 	Promoting balanced gender and equal opportunity 12.75% Women out of total workforce	Achieved 12% gender diversity	In progress
	Continuous employee training and development 25 hours of learning per employee	Achieved -21.17 hours of learning per employee	In progress
	Continuous efforts to ensure ZERO Reportable incidents across operations	Measures are being taken along with training to ensure no reportable incidents	In progress
CSR 	Empowering communities to build progressive ecosystem	Need based programmes are being implemented	In progress
Effective governance 	Highest levels of governance beyond compliance	Implementing industry-best practices, ensuring highest level of governance	In progress
Access to healthcare 	Innovating and strengthening healthcare systems across	Promoting innovative measures to strengthen healthcare systems	In progress

Our contribution to UN SDGs

Aligning with global priorities

The UN SDGs, consisting of 17 goals, provide a roadmap for achieving a sustainable future. Adopted by all UN Member States in 2015, these goals strive to eradicate poverty, preserve the environment, and foster peace and prosperity by 2030.

We recognise the significance of these goals and have integrated them into its sustainability strategy. By aligning with the SDGs, the Company aims to generate enduring value for its business and contribute to the sustainability of its broader ecosystem.



Our CSR focus areas aim to support the development of marginalised and underprivileged groups, including women, children, minorities, the elderly and people with disabilities



We aim to address malnutrition among rural communities



We improve patient health and quality of life globally while supporting local communities through our CSR programmes by providing health organisations with necessary amenities and advanced medical equipment for the underprivileged

Access to healthcare facilities including sophisticated medical equipment

Infrastructural support to various government and trust-based hospitals

Health and wellness awareness sessions for communities and workforce

Disha counselling programme for employees



With an objective to improve the quality and affordability of education across communities

Learning tools and facilities

Scholarships

Libraries and Digital Classrooms established

Employment enhancing skills

Infrastructural upliftment across government schools and colleges

Sustainability pillar ● Empowering communities ● Access to healthcare ● Social equity



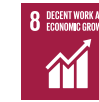
Diversity and inclusion are one of the key focus areas under the social equity pillar. We initiated Diversity Management Programme to take forward our commitment to diversity, and in the last three years, we witnessed a significant improvement in gender diversity. We aim to achieve the target of 12.75% of women in the total workforce by FY25



Strengthening integrated water management systems including rainwater harvesting on-site and off-site to achieve 35% water conservation/restoration by 2025



Strengthening integrated water management systems, including rainwater harvesting on-site and off-site to achieve 35% water conservation/restoration by 2025



Our procurement process mandates suppliers to comply with our Supplier Code of Conduct, aligned with PSCI's responsible supply chain management principles, covering Ethics, Human Rights and Labor, Health and Safety, Environment, and Management Systems



Accelerating intellectual property development through increasing share of spend in R&D. 5.7% of revenues spent on R&D i.e. US\$ 176 million



Along with our initiatives in diversity and inclusion, we have institutionalised systems and processes to foster a fair and progressive ecosystem across operations

We have also established and implemented the social accountability standard SA8000 to encourage and develop, maintain, and apply socially acceptable practices in the workplace in some of our units

● Social equity ● Responsible manufacturing ● Effective governance ● Goals, programmes and initiatives



Along with this, we adhere to foundational social elements of the UN Declaration of Human Rights, Conventions of the ILO, international human rights norms and national labour laws



We prioritise environmental and social aspects in the supply chain and assist vendors in improving their performance. We evaluate and select vendors based on credible, eco-friendly practices and products. Our goal is to assess all key material suppliers in India by 2025 and increase local sourcing



We aim to cut carbon emissions by 12.5% in line with the SBTi WB2C scenario. To achieve this, we're transitioning shipments from air to sea and offsetting carbon emissions via our logistics partners. We've also been preserving biodiversity through green belt development in our operations and communities



Financial capital

Driving transformative

health outcomes worldwide

At APL, we are deeply committed to providing access to life-saving medications, thereby positively impacting the lives of countless patients worldwide. Our operations span across different regions, supported by a robust scientific knowledge base and digital capabilities. Our ultimate goal is to generate transformative health outcomes for communities with unmet medical needs. To achieve this, we have strategic objectives centred around establishing a sustainable foundation for our businesses, encompassing diverse sectors and geographical locations.

Focus areas

Strategic resource allocation

Effective utilisation of cash flow

Mitigating financial risks

SDGs impacted



₹24,855CR
Revenue

₹1,928CR
Net profit

₹3,758CR
EBIDTA

Financial capital

We demonstrated robust financial performance in FY23, despite encountering a challenging macro environment and a competitive industry landscape. The total revenue from operations witnessed a noteworthy y-o-y growth of 6%, amounting to ₹24,855 crore.

Throughout the year, our prominent US generics business faced considerable price erosion, compounded by substantial inflation in input prices that resulted in margin compression. As a consequence, the EBITDA margin for FY23 stood at 15.1%, as compared to 18.7% in FY22. To counteract these margin pressures, we have implemented various strategic initiatives aimed at enhancing efficiency.

Notwithstanding the demanding business environment, we remain committed to our long-term sustainable growth strategy by continuing to invest in research and development (R&D) and capital expenditure (capex) projects, which are crucial for our future growth prospects.

FINANCIAL PERFORMANCE HIGHLIGHTS

Our financial performance in FY23 witnessed annual revenue growth of 6%. This growth was primarily driven by a 4.8% year-on-year (y-o-y) growth in the US formulation business, a substantial 31.2% y-o-y growth in the Growth markets formulation business, a notable 14.6% y-o-y growth in the ARV segment, and a steady 9.4% y-o-y growth in the API business revenue. However, there was a decline of 0.8% y-o-y in the Europe business revenue during FY23, due to negative currency impact. In local currency, Europe segment grew by 3% y-o-y.

The EBITDA (before forex and other income) for FY23 experienced a decline of 14.3% y-o-y, amounting to ₹3,758 crore. This decline was accompanied by a decrease in the EBITDA margin, which went from 18.7% in FY22 to 15.1% in FY23. The compression of the EBITDA margin was primarily due to a decline in gross margin, driven by pricing pressure, especially in the US generic

business, as well as higher overheads and expenses relative to revenue.

Furthermore, the net profit for FY23 decreased by 27.2% y-o-y, reaching ₹1,928 crore compared to ₹2,647 crore in FY22. Apart from the lower EBITDA, factors such as higher finance costs and tax rates also contributed to the decline in net income.

Price erosion and mitigation strategies

The first half of FY23 witnessed intense price competition within our US generics business, resulting in a significant reduction in average selling prices for key products and, subsequently, lower realisation.

To counteract this effect, we leveraged our robust R&D capabilities to introduce a diverse range of oral and injectable products in the US market. In addition to contributing to additional revenue, these new product launches successfully increased sales volume and optimised the utilisation of our manufacturing facilities' installed capacity.

Successful US FDA audit clearances for Unit VII and Unit XI

We are pleased to announce that both Unit VII and Unit XI, our pivotal formulation and API manufacturing units respectively, have received favourable establishment inspection reports (EIRs) after successfully clearing the US FDA audits.

This regulatory clearance allows us to introduce multiple products in the US generic market, further expanding our product portfolio and strengthening our market presence. As of March 31, 2023, all our formulation units

regulated by the US FDA hold Voluntary Action Initiated (VAI) status, highlighting our commitment to maintaining high regulatory compliance standards.

Market leadership in the US generics space

We take pride in our position as the leading player in the US generics space, evident from our highest market share based on prescriptions dispensed (as per IQVIA for quarter ending March 31, 2023). Our continued success is a result of our wide-ranging portfolio, encompassing a diverse array of

products across various therapeutic areas. We remain committed to maintaining our dominance by consistently filing approximately 20 injectable products and around 40 other products including orals, every year. Additionally, our expansive manufacturing base comprising 25 facilities is instrumental in ensuring cost competitiveness and operational efficiency, further strengthening our market leadership.

OUR CAPITAL ALLOCATION STRATEGY

R&D investments

- Essential for sustaining a consistent pace of product filings in both developed and emerging markets
- Advancing our Biosimilars pipeline, which represents a key pillar of future growth
- Diversifying our portfolio by venturing into specialised products with higher entry barriers, such as peptide injectables, depot injections, derma products, and respiratory products

Bolt-on acquisitions and ANDA purchases

- Demonstrating a successful track record of acquiring and integrating targets, we are exploring inorganic growth opportunities with strong synergy potential and favourable valuations
- Acquiring ANDAs and market authorisations to drive topline growth and maximise the utilisation of our existing capacity

Investments in growth and productivity

- Allocating resources towards organic growth opportunities that complement our core business, such as the Pen-G project
- Establishing capacity closer to target markets to enhance customer focus, as exemplified by the Eugia US facility in New Jersey and the Aurolife facility at Raleigh, North Carolina, for respiratory and derma products, both of which are under commissioning stage
- Continuously investing in productivity and efficiency initiatives to overcome bottlenecks and improve operational effectiveness

Preserving balance sheet strength

- Preserving balance sheet strength
- Maintaining a net-debt free balance sheet and building cash reserves to seize growth opportunities
- Commitment to competitive dividend payments, reflecting our dedication to delivering value to shareholders
- As of 31 March 2023, our net cash, including investments, stood at approximately US\$194 million, highlighting our solid financial position



Financial capital

STRATEGIC RESOURCE ALLOCATION

In the reported period, we generated a free cash flow of US\$48 million from its core business operations. This cash flow was allocated towards various strategic initiatives, along with the proceeds from net investment redemption amounting to US\$50 million and existing cash reserves.

These allocations included:

- **Capex investment for PLI project:** An amount of US\$93 million was invested in capital expenditures related to our PLI project. This investment aims to enhance our manufacturing capabilities and drive growth in line with the government's initiatives.
- **Capex for new businesses and markets:** We allocated US\$44 million for capital expenditures to support the expansion of our operations in new markets such as China, the United States, and the Biologics segment. These investments are crucial for capturing opportunities in high-potential markets and diversifying our revenue streams.
- **Dividend payment:** As part of our commitment to delivering value to our shareholders, we disbursed a dividend payment of US\$53 million during the period.

As a result of these activities, the closing balance of our net cash and investments stood at US\$194 million at the end of FY23, compared to an opening balance of US\$242 million. This demonstrates our prudent financial management and strategic allocation of resources to support our growth objectives while maintaining a healthy cash position.

EFFECTIVE UTILISATION OF CASH FLOW FOR CAPEX PROJECTS

In FY23, we made significant strides in advancing our ongoing capital expenditure (capex) projects by effectively utilising the cash flow generated from our core business operations. This exemplifies our commitment to driving growth and enhancing our operational capabilities. Additionally, we have maintained a robust cash balance, enabling us to finance future investments in ongoing projects and the acquisition of ANDAs or market authorisations. This strategic approach allows us to leverage our existing capacity and capitalise on market opportunities.

Furthermore, we employ debt judiciously, in addition to internal accruals, to support our investments in capital projects and meet our working capital requirements. By striking the right balance between debt utilisation and internal resources, we maintain a prudent financial structure and ensure sustainable growth.

Looking ahead, as the commissioning of the PLI project is slated for April 2024, we anticipate the completion of most of our major capex initiatives. To further optimise the utilisation of our manufacturing facilities, we may undertake additional capex for de-bottlenecking and maintenance purposes. This proactive approach demonstrates our commitment to improving capacity utilisation and enhancing operational efficiency, aligning with our long-term objectives.

FINANCIAL RISKS

We are exposed to various financial risks due to operating in multiple currencies and engaging in export transactions, borrowings, and imports. These risks, which can potentially

impact the fair value of our financial instruments, include:

Foreign currency exchange exposure arises from our exports, imports, and borrowings. Any weakening of the functional currency may adversely affect our import costs and borrowing costs while positively impacting export revenues and vice versa.

Interest rate risk primarily arises from fluctuations in interest rates on borrowings with variable interest rates, and interest rate exposure is related to our debt obligations.

Liquidity risk refers to the possibility of facing difficulties in meeting financial liabilities.

Credit risk involves the potential for counterparty or customer defaults, as well as the deterioration of creditworthiness and concentration of risks.

MITIGATION STRATEGY

We prioritise anticipating the unpredictability of financial markets and minimising adverse impacts on our financial performance. Our management ensures the implementation of a robust risk governance framework through appropriate policies and procedures to identify, measure, and manage risks in alignment with our objectives.

We carefully evaluate exchange rate exposure from foreign currency transactions and regularly monitor open exposure using the parity statement. Our foreign currency receivables and obligations from imports and borrowings act as natural hedges. We employ foreign exchange forward instruments primarily for hedging foreign exchange exposure and do not engage in complex speculative forex derivatives in line with our policy.

Liquidity risk is monitored through cash flow forecasting models, aiming to provide financial resources to meet obligations in a timely, cost-effective, and reliable manner without incurring significant losses or damaging our reputation. We maintain working capital lines from various banks, access to undrawn borrowing facilities, and other debt instruments to manage liquidity.

Credit risk is controlled by continuously analysing credit limits and the creditworthiness of counterparties and customers, with proper approval mechanisms in place. We maintain a diversified portfolio of receivables, minimising concentration risk. Credit risk is further managed by ongoing assessment of credit limits and creditworthiness of customers before granting credit, following necessary approval procedures.

FUTURE OUTLOOK

Aurobindo is steadfast in its ambition to become a leading and admired global pharmaceutical company, ranked among the top 25 by 2030. Our comprehensive outlook encompasses various strategic initiatives and expansion plans across different markets and therapeutic areas.

In the highly competitive US generic market, we are committed to maintaining a strong market position. Our growth strategy revolves around launching new products across a wide range of therapy areas. With a diverse portfolio that includes specialty products, nasal, derma, transdermal, and complex injectables, we are well-positioned to cater to evolving market demands. Looking ahead, we aim to shift towards a higher mix of complex products within our dominant categories, which will contribute to long-term growth and differentiation.

Expansion of our injectable business is a key focus area, with particular emphasis on growing in the EU and emerging markets. To support this endeavour, we are set to commission a dedicated facility in Vizag in FY24, enhancing our manufacturing capabilities and enabling us to meet the increasing demand for injectable products.

The completion of our Penicillin-G project remains on track, and we anticipate commencing shipments from April 2024. This project represents a significant investment in our manufacturing capabilities and will further strengthen our position in the market.

Acquiring ANDAs and market authorisations will continue to be a core strategy for us, as it allows us to leverage our existing capacity and resources. This approach enables us to capitalise on new opportunities, expand our product portfolio, and further enhance our market presence.

Keeping in view our strategic priorities, we are advancing with our biosimilar development program. We currently have a pipeline of 14 biosimilar products under development within the immunology and oncology space. Collectively these products hold a market potential of around US\$50 billion. From the beginning of our biosimilars program, we have maintained a clear focus on regulatory filings in the US and EU markets. We aim to build a fully integrated biosimilars organisation.

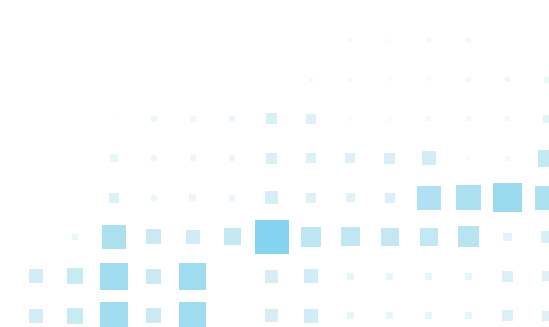
In line with our commitment to innovation, we made significant progress in the development of our 15-Valent Pneumococcal Conjugate Vaccine (PCV) for Pneumonia. This also represents our efforts towards advancement in preventative healthcare and addressing critical medical needs.

Additionally, we are focused on building a robust portfolio of peptide-based APIs in areas such as oncology and diabetology. These products will enable expanding our therapeutic offerings as well as contribute to patient care by addressing unmet medical needs.

We are strategically expanding our presence in the fast-growing markets of China and India, to tap into their immense potential. We aim to invest in organic growth initiatives and synergistic business opportunities in these geographies. The commercialisation of the oral facility in Taizhou, China, will play a pivotal role in catering to our businesses in Chinese, European, and other markets.

Lastly, our expansion plans extend beyond established markets. We are actively exploring untapped markets with strong growth potential, aiming to diversify our geographic footprint and capture new opportunities for business expansion.

Overall, our comprehensive outlook demonstrates our commitment to driving growth, innovation, and market leadership. By consistently delivering high-quality products, prioritising patient-centric approaches, and leveraging our global capabilities, we are confident in our ability to achieve our long-term objectives and create sustainable value for all stakeholders.





Manufactured Capital

Advancing healthcare frontiers

At APL, we are deeply committed to providing access to life-saving medications, thereby positively impacting the lives of countless patients worldwide. Our operations span across different regions, supported by a robust scientific knowledge base and digital capabilities. Our ultimate goal is to generate transformative health outcomes for communities with unmet medical needs. To achieve this, we have strategic objectives centred around establishing a sustainable foundation for our businesses, encompassing diverse sectors and geographical locations.

Focus areas

Capacity expansion

Quality and compliance

Product quality and safety

SDGs impacted



25

Manufacturing facilities

10

API capacity

15

FDF capacity

Manufactured capital

CAPACITY EXPANSION

Our China plant has successfully completed its construction phase and has commenced the production of exhibit batches for filing in both the China and Europe markets. This achievement demonstrates our commitment to expanding our presence and offerings in these key regions.

Furthermore, our Pen G project has gained momentum and is expected to be commissioned by April 1, 2024. In FY23, we invested US\$91 million towards this project, bringing the total expenditure to US\$121 million as of March 31, 2023.

Additionally, our injectable plants at Vizag and New Jersey are on track to be commissioned in the near future. At both units, a few exhibit batches were completed and filing activities will commence in early FY24.

Moreover, we are proud to share that in Raleigh, North Carolina, USA, we are currently constructing a state-of-the-art plant dedicated to the production of derma, inhalation, and transdermal patches. Notably, the derma unit of this facility has already been commissioned during FY23, marking a significant milestone in our expansion efforts in this therapeutic segment.

These achievements and ongoing projects exemplify our strategic focus on diversification, expansion, and innovation, positioning us for sustained growth and enabling us to serve the needs of our customers and patients worldwide.

Integration of acquired businesses and strategic collaborations

During the reporting period, we successfully integrated the recently acquired India formulation business

of Veritaz into our Growth market vertical. This strategic move allows for synergies and is in line with our focus on expanding in growth markets.

Furthermore, we are pleased to announce the completion of the acquisition of a 51% stake in the domestic oncology business of GLS. This acquisition represents a significant step towards strengthening our presence in the domestic oncology segment, leveraging the expertise and capabilities of both organisations. The integration process is well underway, and we are committed to realising the full potential of this partnership, driving growth and delivering innovative solutions to meet the needs of cancer patients.

These strategic acquisitions and integrations further reinforce our commitment to expanding our portfolio, reaching new markets, and ultimately improving patient outcomes. By capitalising on synergies and leveraging our combined strengths, we are poised for continued growth and success in the pharmaceutical industry.

Streamlining operations and subsidiary restructuring initiatives

To enhance operational efficiency and strategic focus, several significant initiatives were undertaken during the reporting period:

Separation of specialty business

In FY22, we made the strategic decision to separate our specialty business under the subsidiary Eugia Pharma Specialities Limited. This move aimed to create a dedicated entity focused on specialty products, enabling better alignment with market demands and enhancing growth opportunities in this segment.

Separation of API business

In 2023, we successfully transferred our API business to our wholly-owned subsidiary Apitoria Pharma. We also appointed a CEO for the company. This restructuring initiative is aimed to optimise operations, leverage synergies, and streamline the API business to maximise value creation for the Company and its stakeholders.

Improved focus and value creation

The segregation of different businesses into separate subsidiaries is expected to drive better focus, resulting in improved growth, productivity, and regulatory compliance. By enhancing operational efficiency and strategic alignment, these initiatives are intended to create value for shareholders while enabling us to effectively navigate the evolving pharmaceutical landscape.

These restructuring and streamlining efforts reflect our commitment to adapt to changing market dynamics, optimise resource allocation, and drive long-term sustainability. By aligning business units and enhancing operational effectiveness, we are well-positioned to capitalise on growth opportunities and deliver value to our stakeholders.



MERAKI

MERAKI is an innovative programme designed to foster a Culture of Excellence within our organisation. This specially curated and structured course spans over 18 weeks and combines classroom training, digital learning, project work, and coaching.

The primary objective of MERAKI is to instil a strong sense of pride in all our actions as we strive for excellence in our business operations. As part of this initiative, select employees from our core operations underwent upskilling in the Lean Six Sigma methodology, a renowned approach for process improvement.

In total, 18 projects were identified, focusing on areas such as yield improvement, solvent recovery, capacity enhancement, and reduction of QC analysis time. These projects aim to drive operational efficiency, optimise resources, and deliver exceptional outcomes.



QUALITY AND COMPLIANCE

At APL, we prioritise cultivating a culture centred around quality and compliance. This approach, developed in collaboration with industry experts, employs a metrics-based evaluation of each site's quality maturity.

We employ a comprehensive quality control (QC) process that involves multiple levels of review for analytical data. The Quality Control Supervisor, followed by the Quality Assurance personnel, and ultimately the Global Quality Laboratory Compliance team, carefully examine the data, ensuring the reliability and integrity of our QC findings.

Moreover, the trends observed in the Critical Quality Attributes (CQAs) derived from the QC test results are analysed and evaluated for any deviations before the release of each batch. In the event of abnormal trends, a thorough investigation takes place, and appropriate corrective measures are identified and implemented. As part of the Annual Product Quality Review, the trends derived from these tests are scrutinised, highlighting areas where improvement is possible. Actions are then accordingly taken to address any identified areas of enhancement.

The Pharmacovigilance programme plays a crucial role in ensuring that all adverse events or experiences associated with the drug product are thoroughly examined and reported to the relevant regulatory authorities in a timely manner. This proactive reporting contributes to the comprehensive safety profiling of the drug, promoting the well-being of patients.

Manufactured capital



Automated quality risk management process

Throughout the year, we successfully implemented automation in our Quality Risk Management Process across all sites. This strategic initiative has enabled us to enhance the efficiency and effectiveness of our risk management practices. By leveraging automated tools and systems, we have improved our ability to identify, assess, and mitigate risks, thereby ensuring the delivery of high-quality products to our customers.

Upgraded learning management system (LMS) to LearnIQ

To further strengthen our training and development initiatives, we have upgraded our LMS to LearnIQ. This advanced platform offers enhanced features, improved compliance capabilities, and a more intuitive user interface. With LearnIQ, we can provide our employees with a seamless and engaging learning experience, fostering their professional growth and knowledge acquisition.

Expansion of electronic laboratory information management system (eLIMS)

As part of our ongoing commitment to a paperless laboratory environment, we have achieved significant progress in extending our eLIMS to more manufacturing sites and products this year. The expanded eLIMS implementation allows for centralised and digitised management of laboratory data, leading to improved data integrity, traceability, and operational efficiency.

Implementation of cleaning validation software

We have implemented cleaning validation software, which automates our Cleaning Validation Programme and Equipment Cleaning Logs. This technological advancement strengthens contemporaneous documentation practices and enhances the integrity of data. By automating

Utilisation of statistics in the Process Validation Programme

In our Process Validation Programme, we adhere to a risk-based sampling plan based on the American Society for Testing and Materials (ASTM)'s statistical standards. This approach provides sufficient statistical confidence in the quality of our products, both within individual batches and across multiple batches. Through robust statistical analysis, we consistently

these critical processes, we ensure accurate and reliable documentation, contributing to the overall quality assurance efforts of our organisation.

produce high-quality products, resulting in cost savings through reduced scrap, minimised rework, increased productivity, fewer customer complaints, and decreased product liability. By integrating statistical methodologies into our process validation studies, we strengthen our ability to consistently deliver products that meet rigorous quality standards, ultimately enhancing customer satisfaction and ensuring a competitive edge in the market.

PREVENTIVE MEASURES AND ISSUE RESOLUTION

Prior to introducing any new product, process, facility, system, or equipment, a quality risk management exercise is conducted by a cross-functional team comprising experts from various disciplines. Additionally, this exercise evaluates any modifications made to the existing setup. This proactive measure aims to anticipate and mitigate potential issues that may arise from the introduction of something new or changes to the existing setup. Based on the findings, proactive actions are implemented before the actual implementation phase to prevent any quality-related concerns.

Whenever a quality issue is reported, a team consisting of experts from relevant cross-functional disciplines is assembled to carry out a comprehensive investigation. The team employs various root cause analysis tools, including the Ishikawa Diagram, 5 Why Analysis, and Fault Tree Analysis, to identify the underlying causes. For each identified root cause, appropriate corrective actions are determined and implemented. If applicable, these actions are also extended to other departments or manufacturing locations within the organisation, ensuring that similar quality issues are proactively prevented from occurring.



Intellectual capital

Our intellectual capital encompasses a robust foundation of expertise and extensive intellectual property, which has fortified our reputation and goodwill in the pharmaceutical industry. With a steadfast dedication to producing high-quality products and establishing efficient processes, the company has achieved remarkable success through intensive research and development efforts. Committed to continuous improvement, we aim to provide affordable, high-quality medicines that positively impact patients worldwide.

Cutting-edge solutions to maximise impact

Focus areas

Investment in R&D

Product identification and development

Advancements in innovative technologies

Strategic Initiatives for Operational Excellence

Collaborations and partnerships

SDGs impacted



₹1,412CR
R&D spend in FY23

5.7%
Percentage of revenue spent on R&D in FY23

Intellectual capital

WORLD-CLASS SCIENTIFIC TALENT AND INFRASTRUCTURE

Our R&D centres are supported by a pool of world-class scientific talent. We recognise the significance of skilled researchers and scientists in driving innovation and breakthrough discoveries. Our experts, with their deep domain knowledge, contribute to the development of high-quality products and the advancement of pharmaceutical sciences.

In addition to exceptional talent, we have invested in cutting-edge infrastructure to facilitate our R&D activities. Our state-of-the-art laboratories, advanced equipment, and modern technologies provide a conducive environment for conducting experiments, analysis, and formulation development. This infrastructure enables our R&D teams to carry out rigorous scientific investigations and develop novel solutions to address global healthcare challenges.

At APL, we recognise the importance of investing in our future pipeline to sustain growth and meet the evolving needs of patients worldwide. In FY23, we spent ₹1,412 crore on R&D in developing a strong future pipeline, representing approximately 5.7% of our annual revenues, and demonstrating our commitment to research and development.

ANDA FILINGS IN FY23

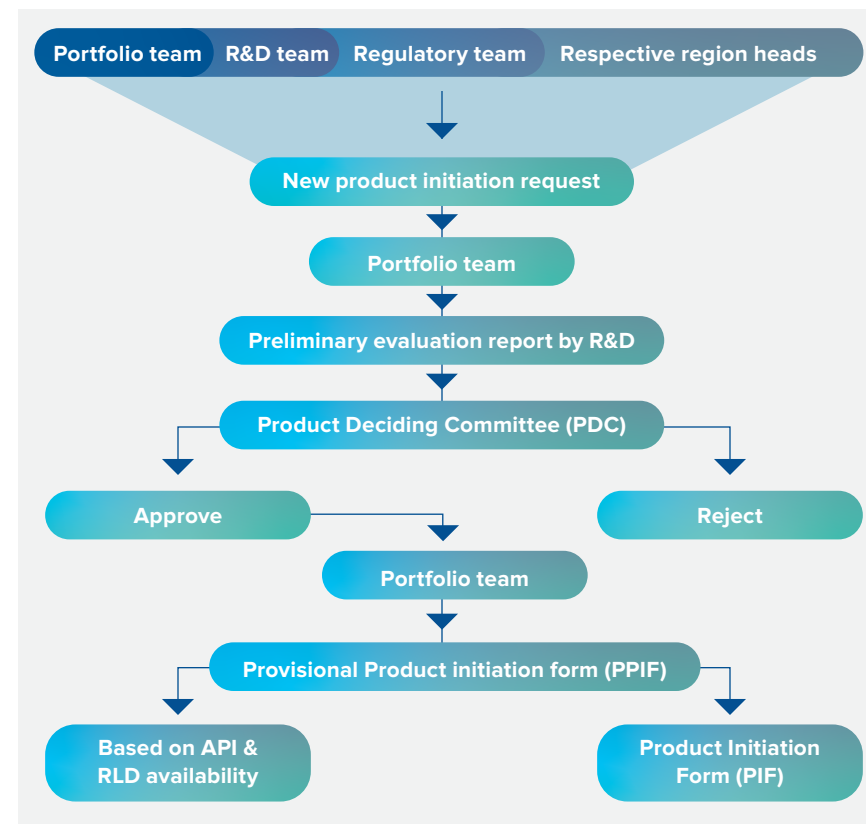
The number of ANDAs filed during FY23 are 49 products covering different dosage forms and therapeutic categories (Orals, Injectables, Oncology and Speciality Products) with an addressable market size of about US\$10.22 billion.

PRODUCT IDENTIFICATION AND DEVELOPMENT

We understand that early identification of potential products is vital for successful development and commercialisation. To achieve this, we collate data from multiple sources, including literature on new products undergoing clinical studies, specific market approval information, IMS Market data, capacities at the plant and preliminary patent review. Additionally, we seek inputs from our marketing regional heads to gather valuable insights. Based on this comprehensive information, our portfolio team initiates requests for new product development.

Following the initiation request, our portfolio team submits a preliminary evaluation report to the Product Deciding Committee (PDC). This report includes an assessment of development feasibility, tentative project cost, and detailed patent analysis. The report is based on information collected from relevant departments within our organisation. Once the PDC approves the product, a provisional product initiation form is issued for its development.

Initiation flow chart for new product development



ADVANCEMENTS IN INNOVATIVE TECHNOLOGIES

Our commitment to innovation is evident in the significant strides made by our R&D team in developing cutting-edge technologies. One of the breakthrough innovations is in the development of composition using a lipid-based nano-carrier formulation with a high drug loading capacity and superior bioavailability in almost 2.75 fold smaller volume as against the existing similar technologies. This enables patients to administer a reduced number of conveniently swallowable products with higher doses and reduced frequency of administration. The advantages manifest further in the patients who require higher per day dosing due to disease severity.

We are developing a few long-acting depot injectables that are based on advanced drug delivery technologies like biodegradable polymer-based microspheres, micro-suspensions, nano-suspensions etc. These are part of the complex injectable portfolio – which require a deep scientific understanding of material science, process engineering, analytical tools & bioequivalence testing.

Aurobindo has already secured approvals for complex injectable suspension products like generic versions of Kenalog®, Depot-Medrol® & Depo-Provera® - which typically have a duration of action of up to a couple of weeks. The Company is in the process of developing other longer-acting depot injectable products, out of which one is expected to enter clinical studies near future.

Furthermore, our team has dedicated efforts to focus on 505(b)(2) products, specifically designed to address unmet needs of the patients. This strategic approach ensures that we can meet the demands of the market and provide innovative solutions that make a significant impact on patients' lives. Through these innovative technologies, we position ourselves as pioneers in the industry, constantly striving to improve patient outcomes and redefine the standards of pharmaceutical excellence.

STRATEGIC INITIATIVES FOR OPERATIONAL EXCELLENCE

In addition to our advancements in innovative technologies, we have implemented strategic initiatives aimed at enhancing our operational efficiency and scientific excellence. One of these initiatives involves digitising most of the documents generated in our development laboratories. By embracing digitalisation, we streamline our processes, improve data management, and ensure seamless collaboration among our teams. This transformation allows us to maximise quality and compliance, minimise errors, and enhance overall productivity across our operations.

Another key strategic initiative is the establishment of a state-of-the-art computational chemistry lab, where we engage in predictive modelling and simulation. This cutting-edge facility empowers our scientists to leverage advanced tools and techniques, ultimately enhancing our understanding of drug interactions, efficacy, and safety profiles. Additionally, the incorporation of pharmacokinetic simulation software further strengthens our capabilities, enabling us to optimise our operations and adhere to the highest standards of quality and compliance.

These strategic initiatives underscore our commitment to operational excellence, scientific advancement, and continuous improvement. By leveraging technology, data-driven insights, and state-of-the-art facilities, we position ourselves at the forefront of the industry, consistently delivering exceptional products and services to meet the evolving needs of patients worldwide.

COLLABORATION AND PARTNERSHIPS

In our relentless pursuit of intellectual capital, APL has actively engaged in successful collaborations to advance our scientific expertise and innovation. Notably, we have partnered with the esteemed University of Hyderabad to develop a complex organometallic compound for treating hyperkalemia, which exemplifies our commitment to scientific excellence and represents a high-volume product within our portfolio.

Furthermore, we are dedicated to the development of biocatalysts to enhance efficiency in bulk drug manufacturing. This strategic initiative encompasses five drug substances and aims to optimise the utilisation of biocatalysts, thereby reducing our environmental footprint while ensuring the highest quality of our products.

Additionally, we have joined forces with the University of Hyderabad to formulate a comprehensive strategy for Reducing, Recycling, and Reusing (RRR) in select products. Through this collaboration, we have successfully replaced alcohol consumption with a more sustainable alternative, water, in one of our products. Moreover, we have implemented an environmentally friendly and sustainable process for recycling hazardous chemicals, such as Trimethyl sulfonium iodide, showcasing our commitment to sustainable practices and responsible manufacturing.

To bolster our intellectual capital in drug product development, we have established valuable partnerships with esteemed academic institutions like Punjab University, Chandigarh, and SASTRA University, Thanjavur, Tamil Nadu. These collaborations have facilitated exploratory research work focused on drug excipient conformational changes, excipient-lipid bilayer membrane interactions and their cumulative effect on improving drug absorption. The fundamental research activities conducted at these institutions significantly contribute to our understanding of drug formulation and delivery, augmenting our intellectual capital in this crucial area.



Social and relationship capital

Our philanthropic efforts are directed towards creating a positive impact by enhancing the well-being of disadvantaged communities. We achieve this by empowering them with avenues for holistic development and sustainable income generation. We firmly uphold the belief that social welfare and prosperous business operations are closely intertwined, as each contributes to the other's ability to create significant value.

Growing together



Focus areas

Education and skill development Women empowerment

Community healthcare, sanitation, and rural drinking water systems Rural development

Nutrition Environmental sustainability

Sustainable agriculture

SDGs impacted



₹76.3CR
CSR spend in FY23

1.84Lakh
Families benefitted in FY23

7.38Lakhs
People benefitted in FY23

Social and relationship capital

CSR STRATEGY

Aurobindo Pharma Foundation (APF) adopts a sustainable approach to every project, aiming to ensure long-term viability. Our approach involves several key steps. The initial stage entails identifying the genuine needs of the community, including common, accumulated, deprived, and emotionally resonant needs. This not only grabs the attention of the community but also fosters their sense of ownership towards the projects.

Once the needs are identified, we encourage the communities to establish formal groups or committees, providing them with an opportunity to deliberate on the implementation and sustainability of the projects upon completion. As APF completes its interventions, these formal groups, committees, or representatives from institutions assume responsibility for the projects, overseeing their maintenance and long-term sustainability.

Additionally, we engage the communities in baseline, midline, and impact assessment studies, capturing beneficiary stories and case studies. This not only enhances accountability but also empowers the communities to drive the projects towards sustainability.



EDUCATION AND SKILL DEVELOPMENT

APF has undertaken a project to enhance the educational facilities at government primary schools in Borpatla village, Sangareddy District, Telangana. The construction of a new building with eight spacious classrooms with a better ambience, covering an area of 8,100 square feet, along with supporting infrastructure, has been completed. This development aims to improve the learning environment and benefit approximately 180 rural students.

To improve infrastructure and provide better facilities for rural students, APF has also constructed a new building for Government Primary School in Paniyala village, Sangareddy District, Telangana.

The building spans 4,700 square feet and includes 4 classrooms, toilets, and a compound wall. In November 2022, this facility was inaugurated, and it currently serves 80 students.

Sri Sankara Gurukula Veda Patasala in Secunderabad is dedicated to promoting the ancient Gurukula mode of education and safeguarding Indian Art and Culture. As the student population continues to grow, there was a need to expand the infrastructure. Therefore, APF has constructed a new Vadasadanam Block covering an area of 30,000 square feet, comprising 30 classrooms at a new campus in a serene location at Ponnala village, Shamirpet. This new block can accommodate up to 300 students. Serving as the sole government junior

college for girls offering education in English, Telugu, and Urdu medium in the district, Government Junior College for Girls in Sangareddy Town, Telangana, was facing capacity challenges due to increasing enrollment. To address this issue and provide better infrastructure, APF has constructed a new building spanning 16,000 square feet, featuring 17 classrooms, toilets, along with dual desks and other furniture. This facility, which is ready for inauguration, will benefit 750 students hailing from rural locations around the Town.

The Telangana state government's Mana Ooru – Mana Badi programme (In English: Our Village – Our School) aims to strengthen and revitalise government schools. APF has pledged its support to this initiative and has constructed a new school building for Zilla Parishad High School in Kowkuntla village. The building spans 5,250 square feet and includes four additional classrooms, separate toilet blocks for girls and boys, as well as infrastructure such as dual desks and furniture. This project has positively impacted approximately 380 students.

ROOM TO READ INDIA TRUST

In collaboration with the Room to Read India Trust, APF has established creative libraries in 10 government primary schools in Sangareddy district, Telangana. The objective of this project is to enhance the literacy rate among children and foster a habit of reading from a young age. A total of 1,787 rural students from these 10 government schools have benefitted from this initiative.

In remote villages of the Narayanpet district, many government schools have been experiencing poor attendance, academic performance, and a higher dropout rate among girl students. These challenges arise from the lack of proper transportation facilities, forcing the girls to travel long distances under extreme weather conditions. In response, the APF, in collaboration with the Rotary Club of Lake District Moinabad, Hyderabad, has donated bicycles to 800 girl students from 48 government schools across 11 mandals in Narayanpet district.

PARTNERED WITH THE AMERICAN INDIA FOUNDATION

APF has partnered with the American India Foundation to establish digital classrooms and prioritise STEM (Science, Technology, Engineering, and Mathematics) learning in 10 government schools of Srikakulam and Vizianagaram districts of Andhra Pradesh. This project aims to address issues such as low enrolment rates, school dropouts, low attendance, and learning levels. As a result, 4,806 students now have access to quality digital education in alignment with the National Education Policy, 2021 of the Government of India.

Thondangi and U. Kothapalli mandals in the Kakinada district consist of 38 villages, many of which have government educational institutions in dilapidated conditions requiring renovation. To create better learning environments for rural students, APF has undertaken the construction and renovation of 13 government schools and Anganwadi Centres (a centre providing care for mothers and children

up to 6 years old in rural areas; this aids supplemental nutrition, pre-school non-formal education, health check-ups, etc.). This intervention has positively impacted around 2,920 children, providing them with improved facilities such as classrooms, toilets, compound walls, and painting.

Furthermore, APF has provided various equipment and material such as computers, lab equipment, sports material, play items, cooking equipment, etc. to 41 government schools, 1 government degree college, and 53 Anganwadi Centres benefiting 11,534 students in Thondangi and U. Kothapalli mandals of Kakinada district.

1.51 Lakh

Students benefitted in FY23

INITIATIVES IMPLEMENTED IN FY23

- Construction of a new school building (21 classrooms, 17,600 sq. ft.) with infrastructure, including toilets, in Zilla Parishad High School, Mustabad village and mandals, Rajanna-Sircilla district, Telangana state, benefiting about 1,000 students.
- Construction of two additional classrooms (2,109 sq. ft.), compound wall, and playground in Zilla Parishad High School, Ramalinga Puram village, Nellore District, Andhra Pradesh state.
- Construction of additional classrooms (2,615 sq. ft.) in Government Upper Primary School, Bondalappally village, Nagarkurnool district, Telangana state, benefiting 80 more students.
- Construction of toilets in two Government High Schools in Yenagandla and Kulcharam villages of Medak district.

Social and relationship capital

- Provision of lab equipment and furniture in two government colleges in Laxmanudipeta village, Kakinada district, and Merakamudidam Mandal, Vizianagaram district, Andhra Pradesh.
- Donation of bicycles to 750 girl students from 14 government schools in Thondangi & U. Kothapalli mandals, Kakinada district, to improve attendance and performance.
- Financial support to Auomira Service Society for providing free education and boarding to 66 Tribal Students in Kechla village, Koraput district, Odisha state.
- Support for teaching staff and higher education sponsorship for 13 poor rural students in Andhra Pradesh and Telangana states.
- Establishment of high-end Skill Development Centres in Srikakulam district, Andhra Pradesh, and Sangareddy district, Telangana, to enhance rural graduates' skills.
- Operation of APF Skill Development Centres in Mulapeta, Kakinada district providing skill training to 216 rural youth and 151 women.
- Support for unemployed rural youth preparing for Telangana State Police examinations.
- Support for health-related skill training programmes for rural youth by Young Men's Improvement Society, Hyderabad.
- Construction of an auditorium and government teachers training centre in Patancheru village, Sangareddy district, Telangana, for capacity building programmes for government teachers.



COMMUNITY HEALTHCARE

MNJ Institute of Oncology & State Cancer Institute in Hyderabad, Telangana, operates as a tertiary cancer centre providing comprehensive multidisciplinary care to patients free of charge. Serving not only the local population but also Patients from neighbouring states, MNJ is the sole state government tertiary care facility offering cost-free medical services, including surgery, radiotherapy, chemotherapy, and palliative care. With MNJ currently operating at double its capacity due to its exceptional reputation and success rate, there was a pressing need to enhance the hospital's facilities and infrastructure.

To address this challenge, APF undertook the construction of a 300-bedded Aurobindo Oncology Block on a two-acre government-owned land, spanning 2,32,000 square feet across eight floors. The block features interconnected floors with staircases, ramps, and lifts and includes high-end

amenities such as 30 wardrooms, two operation theatres, 12 consultation rooms, two underground radiology bunkers, eight bone-marrow transplant rooms, pediatric and adolescent ICUs, CT scan-equipped diagnostic rooms, and dedicated kitchen and dining areas. Additionally, the APF provided essential supporting facilities like oxygen cylinders and oxygen pipelines, ICU beds, fire hydrant systems, public address systems, HVAC systems, and emergency exits. In April 2023, the state-of-the-art facility was inaugurated and is now fully operational, projected to positively impact 600 outpatients every day and overall, 150,000 patients annually from Telangana, Andhra Pradesh, and neighbouring states, enabling access to advanced cancer care.

1.45 Lakh

People benefitted in FY23

INITIATIVES IMPLEMENTED IN FY23

- Distribution of 15 tri-motor bikes to individuals with disabilities in Jadcherla mandal, Mahabubnagar district, Telangana.
- Support for the Ni-kshay Mitra scheme of the Government of India, sponsoring food baskets for 1,000 TB patients in Srikakulam, Vizianagaram, and Visakhapatnam districts, Andhra Pradesh, for 6 months to meet their nutritional requirements.
- Supply of medical and surgical equipment to two Government Primary Health Centres (PHCs) in Gaddipeta and AV Nagaram villages, Kakinada district, Andhra Pradesh.

- Operation of two APF Health Clinics in Talapantipeta and K. Mulapeta villages, Kakinada district, Andhra Pradesh, providing free primary healthcare and medicines to 21,043 patients across 38 villages in U. Kothapalli and Thondangi mandals.
- Solid waste management project in seven villages of K. Perumallapuram and AV Nagaram gram panchayaths, Kakinada district, including clearing makeshift dump yards (hotspots), providing awareness information, garbage segregation, engaging 'Green Agents,' and disposal at designated dump yards, benefiting around 15,000 villagers.
- Establishment of a Blood Bank at Chipurupalli Mandal, Vizianagaram district, through the Indian Red Cross Society.
- Support to Sankara Eye Foundation for the establishment of a Department of Optometry with ophthalmic equipment in Hyderabad.
- Supporting medical expenses of 15 poor and underprivileged individuals from various regions of Andhra Pradesh, Telangana, Odisha, and Kerala states.

Overall, approximately 145,022 poor and underprivileged individuals have benefitted from health and sanitation-themed projects and activities undertaken this year.



NUTRITION

In collaboration with the Hare Krishna Movement Charitable Foundation, we have constructed a fully solar-powered centralised kitchen in Perumallapuram village, Kakinada district, Andhra Pradesh. This kitchen has the capacity to produce 6,000 meals per day and is dedicated to providing hot and nutritious breakfast meals, including millet-based options, to 6,000 students in 42 government schools across U. Kothapalli and Thondangi mandals. The kitchen is powered by solar energy, ensuring sustainable and environmentally-friendly operations.

Furthermore, we have established kitchen gardens in 1,144 households and 20 Anganwadi Centres in Sangareddy and Mahabubnagar districts of Telangana. This initiative aims to raise awareness about nutritional security among rural communities and promote the cultivation of fresh and nutritious food locally.

Additionally, we have provided financial support for the construction of sheds and the renovation of facilities for the distribution of free food in rural areas of the Nellore and Visakhapatnam districts in Andhra Pradesh. This support has benefitted 1,731 villagers, ensuring access to nutritious meals.

53,619

People benefitted in FY23

Social and relationship capital



SAFE DRINKING WATER

We have taken significant steps to ensure access to safe drinking water for communities, communities across Andhra Pradesh and Telangana states. This includes the installation of four community RO water plants in the Nellore, Kakinada, and Visakhapatnam districts of Andhra Pradesh. In addition to the installation of these plants, we have also constructed sheds to protect the water plants and ensure their longevity.

Furthermore, we have supplied safe drinking water to four villages in Sangareddy district, Telangana, ensuring that the residents have access to clean and potable water.

To sustain the availability of safe drinking water, we provide annual maintenance services to 35 pre-existing community RO water plants in various villages and mandals of Srikakulam, Vizianagaram, and Visakhapatnam districts in Andhra Pradesh.

2.98 Lakh

People benefitted in FY23



SUSTAINABLE AGRICULTURE

In partnership with APMAS NGO, APF has established a Farmer Producer Organisation (FPO) in Borapatla village, Sangareddy district, Telangana. This FPO aims to train shareholder farmers and small/marginal farmers of Borapatla and surrounding villages about sustainable and climate-smart agricultural practices, provide them with quality agricultural inputs and farm equipment, and facilitate demo plot visits. To support this FPO, APF has constructed a Farmer's Training Centre, Godown and Custom Hiring Centre (4,600 sq. ft.) in Borapatla village. This facility will enable to conduct farmers' training, trading of agricultural inputs by FPO, and rent high-quality farm machinery at a subsidised price, including tractors, rotavators, cage wheels, hay balers, shredders, sprayers, cultivators, ploughs, and dozers. By overcoming labour shortages, this equipment will support timely farm operations and improve farm productivity for small and marginal farmers. The facility is benefitting approximately 290 shareholder farmers.

A similar approach was implemented in Pileru Mandal, Chittoor district, Andhra Pradesh, where an FPO was established by APMAS NGO as funded by APF. Shareholder farmers of the FPO and other small/marginal farmers in the village are adopting sustainable agricultural practices and benefitting from demo plot visits organised through FPO. Shareholder farmers have access to expensive farm equipment at subsidised rates, the farmers receive training on sustainable practices, and the FPO facilitates enhanced market linkages for improved produce procurement. This initiative is benefitting 492 farmers.

4,794

Farmers benefitted in FY23



PUBLIC SAFETY AND WOMEN EMPOWERMENT

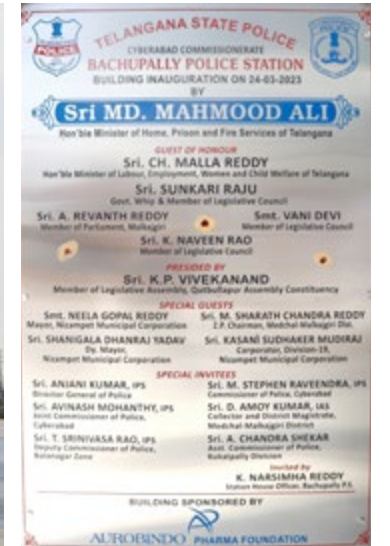
In the rapidly developing economic hub of Bachupally, under the Cyberabad Commissionerate in Hyderabad, APF has constructed a state-of-the-art police station (integrated with services to deal with child and women-specific issues) on a government-allocated land spanning 1 acre of 31 guntas. This facility,

covering a built-up area of 21,000 square feet and comprising 37 rooms, is equipped with modern amenities to ensure effective policing and the safety of the local community. With the establishment of this modern police station, the public safety and well-being of many citizens residing in and around the Bachupally area can be ensured and further excelled.

BHAROSA CENTRES

Bharosa (In English: Assurance) is a society established in May 2016 in Telangana by the police department to provide comprehensive support and assistance to women and children affected by violence. Through these Bharosa Centres, established in multiple locations across the state, victims can access various emergency and non-emergency services, including medical, legal, psychological,

and counselling support under one roof. The main focus is on supporting victims of rape and cases registered under the POCSO Act. In addition to the existing six Bharosa Centres operating in the state, APF is now in the process of constructing a new one in Sangareddy town, which will serve the women and children of the town and nearby areas.



We provide support for the operational expenses of the Industrial Fire Safety Association (IFSA) in Gundlamachnour village, Sangareddy district, Telangana, and Pydibhimavaram village, Srikakulam district, Andhra Pradesh. This support ensures the safety of approximately 50,000 villagers in these two states. Additionally, we provided equipment such as CCTV cameras and breath-alcohol analysers to the Police Department in Sangareddy district, Telangana.

Through these public safety initiatives, around 53,374 villagers have benefited, promoting a safer environment for their communities.

Social and relationship capital



ENVIRONMENT SUSTAINABILITY

Palle Prakruthi Vanam (Village Social Forestry), located in Borapatla village, Sangareddy district, Telangana, is a collaborative effort between Aurobindo Pharma Foundation and the Telangana State Government. Developed under the Palle Prakruthi Vanam scheme, this project aims to create a social forestry area spanning four acres. The diverse range of plants and shrubs planted in this area will enhance the green cover in Borapatla village. Additionally, the site features walking tracks and children's play equipment, providing opportunities for community engagement, and raising awareness about the importance of nature, biodiversity, and environmental protection. Approximately 6,500 villagers in Borapatla village are benefiting from this initiative.

We extended our support for the establishment of a plastic waste recycling plant in Visakhapatnam in collaboration with the Rotary organisation. This initiative aims to improve the environment and enhance the overall ambience of the area for 160 households. The recycling plant will contribute to the effective management of plastic waste, promoting sustainability and reducing environmental pollution.

Additionally, we have undertaken the planting and maintenance of 12,250 saplings in Sangareddy and Mahabubnagar districts of Telangana. This afforestation initiative aims to enhance green cover, mitigate climate change, and contribute to the overall well-being of the local communities.

RURAL DEVELOPMENT

To enhance rural infrastructure and community facilities, we have undertaken various projects such as constructing multi-purpose community halls in NGR Puram village of Srikakulam and Chinthapalli village of Vizianagaram districts, Andhra Pradesh. We also rejuvenated water ponds in Sancham village, Srikakulam district, Andhra Pradesh. Furthermore, we improved rural infrastructure, including roads and drains, in various villages across Andhra Pradesh and Telangana to enhance accessibility and connectivity for villagers. To promote the use of renewable energy, we installed solar panels in 40 Sachivalayams (Village Secretariats) in Srikakulam district, Andhra Pradesh and provided 60 LED and 40 Solar Lights in Naruva, Dhonipeta, NGR Puram village of Srikakulam district and Chinthapalli village of Vizianagaram district, Andhra Pradesh.

69,130

Villagers benefitted in FY23



SPORTS

We provided financial support to three rural tennis and badminton athletes from Telangana. This aid helps them coach and train to participate in national and international tournaments. Additionally, we extended financial support for conducting the 66th Inter-District School Games Athletic Championship 2023 in Srikakulam, Andhra Pradesh, where approximately 1,400 rural students participated.

1,403

Rural athletes and players benefitted

OTHER ACTIVITIES

In our commitment to animal welfare, we provided support to Goshalas in Sangareddy and Hyderabad Districts, Telangana, for the maintenance of feed, fodder, and hygiene for cattle, protecting approximately 930 cattle.

We provided financial support for conducting music and dance events and activities for 1,000 underprivileged children, promoting Indian art, culture, and heritage in Andhra Pradesh and Telangana.

Furthermore, we provided financial support for the maintenance of an old-age home in KV Pally Mandal, Chittoor district, Andhra Pradesh, where 35 senior citizens are provided care and support.

Through these diverse activities, we aim to make a positive impact on the lives of individuals and communities in various areas, fostering their well-being and promoting a sense of belonging.



Human capital

We firmly believe in fostering an inclusive work culture that prioritises the aspirations of our employees. By placing their well-being and growth at the forefront, we empower them to deliver exceptional results fuelled by courage and creativity.

Fostering an inclusive culture

Focus areas

- Employment
- Diversity and inclusion
- Learning and development
- Employee engagement
- Rewards and recognition
- Human rights
- Health and safety
- Succession planning

SDGs impacted



33,000+
Global workforce

12%
Female in workforce

Human capital

EMPLOYEE BASE

Drawing upon our extensive experience, we have enhanced our recruitment procedures and established a comprehensive human resource management system to effectively attract and retain exceptional talent. As of March 31, 2023, our permanent employee count has exceeded 23,000, supplemented by an additional workforce of around 10,000 individuals engaged on a contractual basis.

Employee turnover

Category	<30 yrs.	30-50 yrs.	>50 yrs.	Male	Female
Number	1442	2263	115	-3580	240
Rate	0.12	0.11	0.06	0.12	0.06

New hires by age and gender

Category	<30 yrs.	30-50 yrs.	>50 yrs.	Male	Female
Number	2849	2000	32	4467	414
Rate	0.24	0.10	0.02	0.15	0.10



DIVERSITY AND INCLUSION

We strongly recognise the importance of diversity in cultivating a vibrant work culture and embracing a wide range of perspectives. At our organisation, we are dedicated to providing equal opportunities to all employees, irrespective of their age, gender identity, religion, caste, nationality, race, and ethnicity.

The organisation has taken proactive steps to implement a Diversity Management programme aiming to create an inclusive and equitable work environment. Over the past four years, there has been a significant improvement in gender neutrality.

We actively seek to recruit women employees in various roles such as QC, QA, investigation team, R&D, and corporate functions. In 2018-19, the management introduced gender neutrality as an integral part of the recruitment guidelines, emphasising the organisation's commitment to fostering a diverse and inclusive workforce.

Workforce diversity by age*

Category	<30 yrs.	30-50 yrs.	>50 yrs.
Permanent	26%	69%	6%
Contractual	50%	44%	6%

Note: Data in the above tables include manufacturing, research & development and head office only

Workforce diversity by gender*

Category	Male	Female	Total	Male %	Female %
Permanent	21,099	2,354	23,453	90	10
Contractual	8,347	1,613	9,960	84	16
Total	29,446	3,967	33,413	88	12

* Workforce include both permanent employees and contractual workers

Human capital

The Company implements various initiatives to foster inclusivity, some of which are highlighted below:

- **Learning Buzz:** A behavioural training programme designed to enhance the skills of all employees, promoting personal and professional growth.
- **Assessment development centre:** An initiative under talent management that focuses on developing the second line of leadership within the organisation, providing equal opportunities for career advancement.
- **AuroShe:** A celebration of Women's Day, emphasising the recognition and empowerment of women employees.

The organisation has implemented a unique initiative called 'Pink Packing Lines' at Unit 10 in Naidupeta and Unit 15 in Vishakhapatnam. These packaging operations are now being managed by trained female associates and technical supervisors specifically assigned to dedicated female-managed packing lines. This approach promotes gender diversity and provides equal opportunities for women in technical roles. The organisation plans to extend similar deployment patterns to all other units in the future, emphasising its commitment to creating an inclusive work environment across the organisation.

LEARNING AND DEVELOPMENT

At Aurobindo, creating a positive employee experience is deeply ingrained in our culture. We understand the significance of an engaged workforce in propelling our organisation from being good to achieving greatness.

Project Marg: Management development programme (MDP)

Project Marg is specifically designed to meet the developmental aspirations of high-performing managers, who have been identified as the top talents in the performance management system (PMS) during the annual performance appraisals.

The Leadership Development Programme (LDP) has been curated on the well-defined Leadership Competency Framework, anchored on three key elements:

<p>Personal leadership Ownership and communication</p>	<p>People leadership Leading and developing people and collaboration</p>	<p>Business leadership Quality and compliance, strategic thinking, customer centricity, execution, and innovation</p>
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This programme is facilitated by esteemed academic partners who work closely with the HR and business leadership to ensure that future leaders possess the necessary capabilities.

The academic partners involved are:

- ICAI School of Business, Hyderabad
- Centre for Organisational Development, Hyderabad
- Vignana Jyothi Institute of Management, Hyderabad
- BML Munjal University, located near Delhi NCR in Haryana

During the past two performance management cycles, over 550 Top Talent Managers have been identified and subsequently trained through two-day MDP programmes. These managers have taken the initiative to devise meaningful action plans aimed at enhancing their impact and performance within the organisation. Notably, the overall feedback received for the programme consistently falls within the range of 4.7 to 4.8 out of 5, indicating its effectiveness and positive reception.

Supervisory development programme

This programme has been specifically designed to address the needs of shop-floor supervisors who are responsible for leading and managing daily shift operations at manufacturing units. This crucial layer of emerging leadership comprises shift and section supervisors, as well as senior operators, analysts, and technicians who play a role in high performance and the training and development of shop-floor associates.

The programme focuses on key themes that have been identified through discussions with the unit and corporate leadership team. These themes include:

- **Demonstrating ownership**
- **Workplace ethics**
- **Role of employees in building good work culture**
- **Employee motivation**
- **Leadership inspiration**

In this initiative, our esteemed learning partner is the Dattopant Thengadi National Board for Workers Education and Development (DTNBWED). Over the course of the year, we have successfully trained more than 300 shop-floor supervisors and key senior associates. The programme has received highly positive feedback from the unit leadership team, and as a result, it is now being implemented across all Formulation Units.



Promotion assessment centre

The promotion assessment centre is a strategic initiative driven by HR to support sustainable organisational growth by enhancing the leadership pipeline. The primary objective is to strengthen the PMS through a structured talent assessment and development process. It focuses on key leadership competencies such as effective communication, result orientation, problem-solving, decision-making, and team management.

To ensure the success of the assessment process, a hybrid approach has been adopted, involving both internal and external assessors. Think Talent Services Pvt. Ltd., along with the HR Leadership team, has provided training to over 80 assessors at the middle and senior management levels, ranging from managers to general managers.

The assessment process is currently in the pilot phase, with over 60 junior managers participating to establish an objective benchmark for future assessments. The assessment process, including the creation of individual development plans and feedback, will be completed by June 2023.

Human capital

SANKRAMAN: 1ST TIME MANAGERS PROGRAMME

Promoted managers will receive further development opportunities through the Sankraman 1st Time Managers' Programme, which aims to equip them with the necessary skills and knowledge to succeed in their new roles.

This programme aims to develop the leadership and managerial capabilities of inter-band promotes in all manufacturing locations. Facilitated by the senior management team with support from HR and business leadership, the two-day programme includes key components such as human resource management, a fire-side chat with emerging leaders, and a business orientation with functional leaders.

It provides essential training in areas like emotional intelligence, employee engagement, employee development and coaching, business acumen in customer orientation and supply chain management, financial acumen, and operational excellence. The programme equips participants with the necessary skills and insights to succeed in their new managerial roles.

Quality Marshal programme

The Quality Marshal programme was established in 2015 to strengthen and sustain a "Culture of Quality & Compliance" by promoting quality behaviours at the shop-floor level. The programme starts with a two-day 'Train the Trainer' session for selected shop-floor managers who have a passion for teaching and training. These Quality Marshals then aim to cascade 20 hours of learning to their teams every quarter.

Over the past five years, the programme has grown to include over 200 Quality Marshals. In recent years, the focus has shifted towards developing a system to measure the impact and ensure the ongoing rigour of the programme keeps going. To achieve this, a Quality Score Card has been developed to assess shop-floor operators, analysts, technicians, and staff on 10 specific behaviours across three parameters: Confidence and communication, cGMP processes, and technical ability.

In addition to improving the Quality Culture on the shop floor, the programme has brought intangible benefits such as the development of teaching and training capabilities among shop-floor managers and enhanced connections among team members.

NALANDA ONLINE ACADEMY

Nalanda Online Academy is a digital learning initiative launched in 2016 intending to develop global leadership capabilities in alignment with the organisation's growth objectives. It is designed based on the APL Leadership Competency Framework, Values Framework, and Functional Skills Dictionary. It leverages the expertise of Cross Knowledge, a global e-learning

leader, and renowned professors from institutions like Wharton, INSEAD, and London Business School to deliver engaging and flexible content.

The platform caters to various key talent groups, including senior leadership, corporate heads, unit and quality heads, HODs, critical role holders, top talent, and HR, providing them with self-paced and personalised learning experiences.

Nalanda follows a university-model approach, offering basic, advanced, and future-needs curricula. The programme's academic progression model has evolved over the years, incorporating personal and people APL Leadership Competencies (Pratham Shreni) in 2016, enhancing it with Organisational Values and Functional Skills (Uttam Shreni) in 2018, further adding Business Leadership Competencies and Micro-Learning (Param Shreni) in 2021, and currently developing the fourth phase for a future rollout in 2023.

The programme is customised to align with the APL Competency, Values, and Functional Skills framework. Its unique pedagogy comprises a robust five-step process, including Pre and Post Assessments for individualised learning paths, Video Casts featuring esteemed professors and thought leaders, Virtual Case Studies, Action Tips, and Learning Essentials.

Nalanda has consistently exceeded industry benchmarks with high learning adoption rates (95%+), significant learning completion rates (60%+), and substantial learning implementation rates (40%+).

TECHNICAL UPSKILLING

Training within industry (TWI)

Training within industry (TWI) is a human capital development and engagement model that originated in the US during World War II and was later adopted by Japan during its industrial growth phase. It is a methodology based on three main pillars: TWI - job instruction, TWI - job methods, and TWI - job relations. The core of this approach lies in its skill matrix and job breakdown sheets, which enable efficient skill transfer and accelerate the time required to perform tasks independently.

TWI incorporates new technology and evolving skills to adapt to disruptive changes. Job Instruction focuses on motor skills development, transitioning from "what to do" to "how and why to do." Job methods focus on process improvement and re-engineering through the eliminate, combine, remove, simplify (ECRS). Job Relations emphasise interpersonal synergy and effectiveness.

APL has implemented TWI across its nine formulation manufacturing facilities, with over 150 TWI Champions responsible for carving out critical technical skills in areas such as manufacturing operations, quality control, packing, engineering, and warehouse. These champions have trained over 600 operators, analysts, and technicians. The methodology has delivered significant results, including breakdown reduction, improved machine performance, increased operational flexibility, and the development of technical trainer capabilities.

The benefits of TWI are remarkable, generating incremental revenue and savings without requiring additional operational or capital expenditures.



Aurobindo Training and Development Centre

Aurobindo Training and Development Centre (ATDC) is equipped with state-of-the-art infrastructure, including an Oral Solid Dosage Pilot Plant and two well-equipped laboratories with advanced analytical instruments. It also features four well-furnished classrooms that provide a conducive atmosphere for dynamic and focused discussions. These classrooms are designed to integrate audio-visual teaching aids for holistic learning.

ATDC follows a unique Learning and Skills Transfer model inspired by Bloom's Taxonomy*, ensuring comprehensive knowledge acquisition. The centre plays a significant role in fulfilling the annual technical talent requirement, contributing 30% to 40% of the organisation's technical workforce. With an attrition rate below 5%, ATDC has demonstrated its effectiveness in talent retention.

The productivity improvement of employees trained at ATDC is 20-30% higher compared to those recruited laterally. The centre focuses on good documentation practices, ensuring data integrity and reducing incidents of re-tests. Additionally, the number of process non-conformances reported by ATDC students is relatively lower, showcasing their commitment to excellence.

The performance standards set by ATDC are widely recognised, with its students regularly featuring in various recognition and reward programs such as Target Operating Model (TOM), Unique Value Proposition (UVP), and Kaizen Mudras. This highlights the impact and success of ATDC in developing skilled professionals who contribute significantly to the organisation's growth.

*Bloom's Taxonomy provides a common language for teachers to discuss and exchange learning and assessment methods.

Human capital

BANDHAN – EMPLOYEE ENGAGEMENT SURVEY

Objectives

- Strengthen organisational connect by listening to the Voice of the People
- Reinforce performance behaviours and promote ownership and responsibility
- Improve organisational and HR processes for sustainability and future-proofing
- Foster leadership and people development
- Create an impact plan for improved performance through higher people engagement

Engagement drivers

Career	Alignment	Recognition	Empowerment	Strive
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Methodology and impact plan

The survey was conducted using the Survey Monkey platform, allowing participants to respond to survey questions on a five-point Likert Scale, ranging from "Strongly Agree" to "Strongly Disagree." Language options were provided in English, Hindi, and Telugu to accommodate the diverse preferences of respondents.

Survey analytics

- A total of 8621 respondents participated in the survey, representing an impressive response rate of over 80% from the 13 FML Manufacturing Units.
- The average engagement score achieved was 4.28 out of 5.00, indicating a high level of engagement among the participants.
- The top-rated engagement drivers identified by the respondents were strive, alignment, and career, highlighting their significance in fostering employee engagement and satisfaction.

Key initiatives post Bandhan survey analysis

A series of comprehensive initiatives have been implemented to enhance the overall functioning and engagement of the shop-floor employees. To strengthen communication and foster a sense of belonging, regular town hall meetings have been introduced, providing a platform for open and effective dialogue. The empowerment of shop-floor employees is being achieved through the implementation of a detailed balanced scorecard, which enables goal cascading and ensures alignment with organisational objectives. Recognising the importance of skill development, a strong focus has been placed on enhancing the technical capabilities of supervisors. Additionally, an idea management system has been put in place to encourage active participation and recognition of innovative ideas from shop-floor employees. To cultivate a robust leadership pipeline, a promotion assessment centre has been introduced to identify and nurture talented individuals. Lastly, to acknowledge and reward exceptional performance, the Kaizen and Udgam Mudra Reward and Recognition Programme has been implemented, offering monetary incentives for outstanding contribution.

HEALTH AND SAFETY

Our organisational principles prioritise the health, safety, and well-being of our workforce. With a holistic approach, we are dedicated to promoting a healthy lifestyle, creating a secure working environment, and establishing a harmonious work-life balance for all employees. To ensure compliance and enhance safety, our Environment, Health, and Safety (EHS) framework and management practices focus on product and process safety, benefitting both permanent and contractual staff members.

To ensure continuous improvement, we conduct lean daily management meetings with our senior leadership

team on a regular basis. These meetings serve to track actions and initiatives aimed at enhancing our processes and practices.

We provide health and safety training to both permanent employees and contractual workers, emphasising the importance of following safe procedures and guidelines. Before scaling up any operations, we undertake risk identification and assessments to identify potential hazards and establish appropriate control measures. In the manufacturing area, we conduct hazard and operability studies (HAZOP) before initiating any chemical processes.

We employ qualitative and quantitative risk assessments to determine effective controls and minimise risks. Safety performance evaluation is carried out using an EHS Scorecard every month. This scorecard provides valuable insights to assess our safety performance based on Key Performance Indicators.

We conduct inter-unit audits to identify any gaps and assess performance, allowing us to implement necessary improvements. Furthermore, we organise regular knowledge-sharing sessions to facilitate the exchange of best practices among our manufacturing facilities.



2
LTI

2
Reportable accidents

0.06
LTIR

0.02
Injury frequency rate

0.02
Reportable injury frequency rate

Note: above performance indicators are of manufacturing and R&D sites only

Human capital

The Central Safety Committee, consisting of top-level management and representatives from each production unit, convenes quarterly to assess safety performance and enhance operational procedures essential for maintaining safety standards.

PARTNERSHIPS WITH ASCI

To foster a culture of health and safety within our manufacturing units, we have formed partnerships with ASCI (Administrative Staff College of India) and PCB (Pollution Control Board). These esteemed organisations have provided invaluable support in creating an environment that prioritises the well-being of our workforce.

Behavioural Based Safety (BBS) represents a unique and transformative initiative at APL. It establishes a partnership between the organisation and its employees, directing their attention and actions towards promoting healthy and safe behaviours. This initiative is based on the following key principles:

- Involvement of all levels within the organisation to address specific health and safety issues by focusing on behaviour-driven actions.
- Analysis of why individuals perform certain actions and the application of research-supported intervention strategies to improve their behaviour.

Through the implementation of BBS, we have achieved notable accomplishments as an organisation:

- Systematically influencing behaviours to cultivate and maintain a culture of health and safety in the workplace.
- Increasing the frequency of healthy and safe behaviours within our manufacturing units.
- Recognising and rewarding individuals who exhibit healthy and safe behaviours.
- Encouraging the consistent practice of these behaviours daily to transform them into lasting habits.



PIC NIC analysis

We have implemented the PIC NIC analysis as a method to foster healthy and safe behaviours within the workplace. This approach involves considering both positive and negative consequences of behaviours to reinforce or discourage them, respectively.

The positive, immediate and powerful consequences (PIC) aspect focuses on identifying and implementing positive reinforcements that strengthen desired behaviours. By recognising and rewarding employees for their adherence to safety protocols and promoting a positive work environment, we aim to encourage the continuation of these behaviours.

Conversely, the negative, immediate and powerful consequences (NIC) element aims to address behaviours that may pose risks or deviate from safety guidelines. By promptly addressing and discouraging such behaviours through appropriate consequences, we strive to diminish their occurrence.

The implementation of PIC NIC analysis has yielded significant results at APL, particularly in our manufacturing units. As a result of this HR practice, we are proud to have reported zero accidents recorded within these units. This accomplishment demonstrates the effectiveness of our approach in creating a safe and secure work environment for our employees.

WELL-BEING

Our HR Vision places a strong emphasis on creating a positive employee experience within the workplace, and one crucial aspect we have identified is prioritising the holistic well-being of our workforce.

WEALTH OF WELLNESS

To achieve this goal, we have developed a comprehensive programme called 'Wealth of Wellness' or 'WoW' at APL. Unlike viewing employee well-being as an abstract concept, we consider it a tangible and all-encompassing notion. 'WoW' serves as a one-stop shop for wellness, focusing on enhancing the physical, mental, intellectual, emotional, and social well-being of our employees.

Our driving force behind initiating this programme stems from our commitment to establishing a culture of well-being, complementing our overall organisational vision. By incorporating 'WoW' into our framework, we strive to foster a work environment that not only supports professional growth but also promotes the overall well-being of our employees.

Physical well-being

At APL, we prioritise the physical well-being of our employees through various initiatives. One such initiative involves organising health talks by distinguished doctors, where the importance of maintaining good health is emphasised. These informative sessions serve to educate our employees on healthy practices and habits.

To further support their physical well-being, we have developed a Monthly Wellness Pledge calendar. This calendar includes identified habits and practices that contribute to better

physical health. We encourage our employees to take the wellness pledge and follow the calendar to maintain optimal physical well-being.

Sponsored health check-ups

We strongly believe in maintaining and enhancing the physical well-being of our employees and their families. As part of this commitment, we provide Company-sponsored health check-ups at reputable medical centres. The frequency of these check-ups varies based on the age of the employees.

Moreover, we extend these health check-ups to the family members

of our employees as well, ensuring that their well-being is also taken into consideration. These health check-ups are offered at discounted prices, underscoring our dedication to supporting the overall health of our workforce and their loved ones.

Intellectual and mental well-being

We recognise the significance of intellectual and mental well-being as crucial components of our employees' overall wellness. To support their growth and development in these areas, we have implemented several initiatives.

Human capital

Continuous learning is deeply ingrained in our core strategy and is regarded as the sole sustainable competitive advantage. We have fostered a culture of continuous learning within the organisation, emphasising the importance of acquiring new knowledge and skills. This culture not only enhances intellectual well-being but also contributes to personal and professional growth.

To facilitate the professional growth and development of our employees, we have made significant investments in robust career and leadership development programmes. These programmes provide opportunities for employees to enhance their skills, expand their knowledge base, and advance their careers within the organisation. By offering such resources, we aim to empower our employees and enable them to reach their full potential.

FAIR COMPENSATION AND SUCCESSION

To ensure market competitiveness, HR conducts due diligence studies on comparable industries to make market corrections for niche talent. Additionally, compensation benchmark studies conducted by leading global consulting agencies are taken into consideration to determine fair and competitive compensation packages.

Our compensation policies are influenced by two main factors: the talent's capability to deliver in line with organisational priorities and the demand and supply dynamics in the market.

As part of the annual performance management process, HR conducts assessments based on predefined key performance indicators (KPIs) and leadership competency evaluations.

A talent review discussion is then held to assess the performance of potential talent and employees in leadership positions.

Compensation decisions are made based on an objective evaluation of performance, achievement of key performance indicators, and the potential of individuals to take on higher responsibilities. Fair compensation is determined through this process.

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AuroUtkarsh

Aurobindo has launched AuroUtkarsh, a talent management initiative aimed at identifying and developing potential leaders within the organisation. This initiative involves the following key steps:

- **Identification of critical roles**
A Talent Management Committee (TMC) is responsible for identifying critical roles within the company that are vital for its success.
- **Succession planning**
The TMC maps the current incumbents of these critical roles and identifies potential successors. This helps ensure a smooth transition and continuity of leadership in the future.
- **Performance data and assessment**
The successors' performance data is captured through performance appraisal ratings. They also undergo psychometric assessments and business simulations to assess their potential for the identified roles.

- **Development plan**
Based on the assessments, development areas are identified, validated by their reporting managers, and incorporated into a comprehensive development plan. The TMC reviews and vets these plans.
- **Progress monitoring**
The candidates work on their development areas as per the agreed-upon plan, and the TMC periodically reviews their progress.
- **Recommendations for open positions**
When a critical position becomes available, the talent management team, with the support of the TMC, recommends suitable candidates from the second line who have been prepared through the succession planning process.

Through the AuroUtkarsh initiative, we are actively developing a robust succession planning strategy to groom and prepare future leaders within the organisation. By identifying and nurturing talent, the company ensures a strong leadership pipeline and promotes a culture of continuous development and growth.

Performance management system

We have implemented a comprehensive Performance Management System (PMS) as part of our Reward and Recognition initiative. This system focuses on evaluating employee performance and providing a framework for rewarding individuals based on their achievements. To ensure competitive compensation and rewards, we conduct benchmark studies comparing our practices with other reputable pharmaceutical companies. This analysis enables us to align employee compensation with industry standards, making it an attractive destination for top talent and fostering employee retention.

In addition to compensation, we place a strong emphasis on retaining high-potential employees. By recognising and motivating these individuals, we aim to retain their valuable skills and contributions, ensuring the continuity and success of its operations. Our performance

evaluation system is robust and rigorous. It begins with cascading business targets across all functions at the start of the financial year, followed by the derivation of Key Performance Indicators (KPIs) at different levels within the organisation.

Performance dimensions	Weightage	Linkage
Individual responsibility	70%	ERP auto retrieval of performance criteria
Performance initiatives	10%	ERP auto retrieval of performance incidents
Corporate values	10%	Self-appraisal through Intranet being validated by immediate supervisor and skip level authority
Leadership attributes	10%	Self-appraisal through Intranet being validated by immediate supervisor and skip-level authority

These KPIs are evaluated on a half-yearly and annual basis, allowing for a fair and transparent assessment of performance. The ratings obtained determine the increment for each employee, while also providing opportunities for open discussions, feedback, and the identification of development plans. The PMS follows a balanced scorecard approach, taking into account various factors such as external benchmarks, internal processes, and people development. This comprehensive evaluation ensures a holistic assessment of employee performance, considering their overall contribution to the organisation's success.

TOPX IDENTIFICATION

As part of our HR mission to attract, develop, and retain the right talent, we have implemented a structured Top Talent Identification process at APL. The TopX employees are identified based on their consistent high performance and potential, as demonstrated by achieving A1 or A2 ratings for the past two years.

In addition to performance and potential, the TopX employees are evaluated based on six defined criteria. These criteria help us assess various aspects of their capabilities, skills, and suitability for advancement within the organisation.

AUROCONNECT

We place great importance on maintaining open and transparent communication with our employees. To facilitate this, we have established multiple platforms that encourage two-way dialogue and ensure that information is shared effectively.

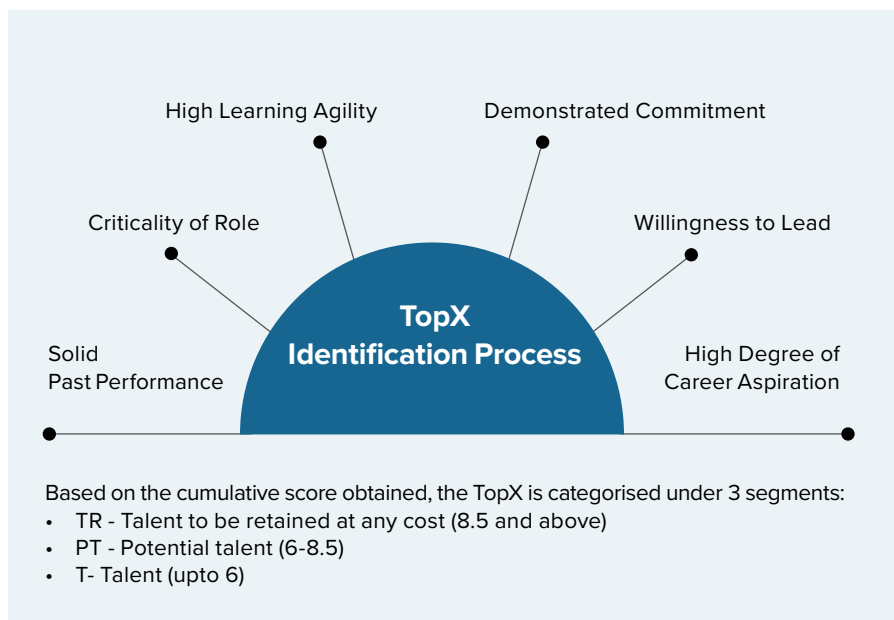
One such forum is AuroConnect, which serves as a platform for employees from our manufacturing units to interact directly with senior leaders and subject matter experts (SMEs). This forum provides an opportunity for employees to voice their operational challenges, particularly in areas related to compliance, regulations, and safety, which they encounter in their daily workflow. By sharing their experiences and concerns,

employees actively contribute to identifying solutions for these challenges.

These open house forums serve as valuable exchanges where ideas and insights are shared. The key outcomes and conclusions drawn from these discussions are then summarised into work norms. These work norms are agreed upon by the teams, serving as guidelines and standards that employees commit to following in their respective workplaces.



Human capital



The identified top talent at APL will receive priority in various learning and development initiatives, aimed at enhancing their skills and knowledge. They will also be considered for career progression opportunities, with a focus on grooming them for leadership positions within the organisation.

In addition, top talents at APL will be given preference in the formation of cross-functional teams to undertake special projects that align with our business needs. These projects may include initiatives such as yield improvement projects, new product launches, and technology adaptation projects. By involving top talents in these projects, we leverage their expertise and capabilities to drive success and meet the challenges of our evolving industry landscape.

PERFORMANCE FEEDBACK

The performance feedback system at APL is designed to facilitate open and constructive discussions between appraisers and employees. This system is implemented six months after the completion of the Annual appraisal process.

Given the dynamic nature of our business, enterprise goals may undergo changes, which are then cascaded down to unit and individual goals. To accommodate these changes and enable course correction throughout the year, our human resource management system (HRMS) allows for modifications to key result areas (KRAs) that were initially defined during the appraisal process.

During the performance feedback discussions, the appraiser provides valuable feedback to the employee and rates their performance based on the

defined KRAs. This feedback and rating mechanism not only helps in evaluating individual performance but also aids in identifying areas for improvement and development opportunities.

Performance improvement

Our PMS not only recognises and rewards high performance but also provides support and guidance to employees who may be falling short of performance expectations. For employees who are rated as not meeting expectations adequately (NMEA) based on our appraisal norms, we have implemented a performance improvement plan (PIP) process.

In such cases, the decision-making process involves inputs from the plant leadership, ensuring a comprehensive assessment. The HR department takes the lead in facilitating the PIP programme, which typically lasts for three months. To simplify the process and make it more efficient, we have introduced an online platform for conducting PIPs.

The consequence management of our PMS is designed to help employees improve their performance. Through the PIP process, we have witnessed positive outcomes, with 80% of employees successfully transitioning from below-average performance to meeting the expected standards.

REWARD AND RECOGNITION

In line with our commitment to nurturing employee potential and fostering a culture of appreciation, we have implemented innovative reward and recognition programmes within our organisation. These programmes are specifically designed to acknowledge the outstanding contributions of our employees and bring out their best daily.

1. Team excellence awards

Every quarter, our manufacturing units implement a scorecard-based cross-functional team reward and recognition practice. This practice serves two important purposes: it motivates and nurtures employees while fostering cross-functional collaboration. As a result, we have witnessed the success of several best projects and processes undertaken by these teams voluntarily. This has led to significant cost savings in our production blocks, continuous improvement in product quality, and the achievement of zero tolerance to safety.

We have identified eight categories of these rewards:

- Best safety practices
- Best document practices
- Best investigation
- Good manufacturing practices
- Best process
- Best project
- Best KRA achievement
- Best facility

Additionally, we proactively identify low-performing teams and develop PIPs for them, conducting periodic reviews to track progress.

2. Auro Going Extra Mile

We have introduced the Auro Going Extra Mile platform to share success stories and best practices with all employees every month. This initiative aligns with our continuous improvement philosophy, MERAKI, and promotes effective collaboration and teamwork among our employees. By sharing best practices, we aim to enhance collaboration and foster a sense of unity within the organisation.

3. Talent of the Month

The Talent of the Month programme is designed to celebrate excellence, inspire others and provide a platform for talented individuals to showcase their skills and gain recognition. The programme aims to recognise outstanding performance, encourage employees to excel in their work and contribute to a productive work culture. Nominations are made by the Heads of Departments based on criteria

such as behaviour and commitment, interpersonal skills, work performance, personal traits, and innovation. The nominated employees are celebrated every month with active participation from unit and office leadership.

4. Uttam Vyavahar Puraskar

The Uttam Vyavahar Puraskar scheme aims to motivate and encourage individual contributions and achievements that positively impact the company and its business. Nominations are made quarterly for various aspects such as significant savings or improvements, substantial improvement in quality performance, contribution to productivity and process improvements, and cost savings or wastage reduction. The nominations are made by Line Managers and undergo a screening process by the UVP Committee consisting of the Operations Head, HR Head and Unit Head. The awards are presented in front of other employees and senior leadership, and the occasions are widely publicised, including publication in the Company's Auropluse Magazine.

These initiatives demonstrate our commitment to recognising and rewarding excellence, promoting a culture of continuous improvement, and fostering a positive and collaborative work environment within our organisation.

HUMAN RIGHTS

We have implemented a comprehensive Human Rights Policy that reflects our commitment to upholding the following principles:

- Respect for Individual Rights and Dignity: We prioritise treating every individual with respect and dignity, ensuring their well-being and safeguarding their rights.
- Prohibition of Child Labour and Forced Labour: We strictly prohibit the use of child labour and forced labour within our organisation, promoting ethical practices and responsible operations.
- Equal Opportunity, Non-Discrimination, and Diversity: We

foster an inclusive work environment where equal opportunities are provided to all employees, regardless of their background, and promote diversity and non-discrimination in our workforce.

- **Safe and Healthy Workplace:** We prioritise the health and safety of our employees, striving to create a safe and healthy workplace environment for everyone.
- **Fair Treatment at the Workplace:** We are dedicated to providing fair treatment to all our employees, ensuring that everyone is treated with equity and respect.
- **Freedom of Expression:** We encourage open communication and freedom of expression, valuing diverse perspectives and ideas within our organisation.
- **Freedom of Association and Collective Bargaining:** We recognise the importance of employees' rights to associate freely and engage in collective bargaining, protecting their interests and ensuring a voice in the decision-making process.

To ensure the effective implementation of our Human Rights Policy, we undergo regular social compliance audits conducted by international and domestic customers. These audits assess various aspects, including the issues mentioned above. We diligently address any recommendations for improvement, continuously enhancing the effectiveness of our policy.

As part of the organisation's commitment to upholding human rights, six new plants (APL Unit 3, APL Unit 12, APL Unit 15, APLHC 4, Eugia 1, Eugia 3) have undergone human rights due diligence during the year ending on March 31, 2023.



Natural capital

Envisioning a greener future

Our vision is to achieve carbon-neutral growth, recognising the importance of balancing business and the environment. We adhere to globally recognised methods and frameworks to monitor and manage our natural resource consumption, including water usage, waste management, renewable energy adoption, and sustainable packaging.

Focus areas

- Climate change and energy
- Water
- Biodiversity
- Waste
- Sustainable packaging
- Responsible supply chain

SDGs impacted



17%
Reduction in carbon emissions

29%
Reuse of treated wastewater out of total wastewater generated

38%
Water Conservation/restoration

12%
Utilisation of renewable Power across our operations

Natural capital



CLIMATE CHANGE

Continuing our commitment to mitigate climate change, we have embarked on a decarbonisation journey aligned with the Science Based Targets initiative (SBTi).

Aurobindo's 2025 Greenhouse gas emission reduction targets are aligned with Science Based Target initiative (SBTi) – to limit global warming to well below 2°C and pursuing efforts to limit warming to 1.5°C.

Aurobindo Pharma has developed a comprehensive roadmap across four key areas:

Renewable energy transition

In FY23, we consumed a total of 80,341MWh of renewable power, which includes both self-generated and purchased solar power from our Joint venture/associate company. We generated about 43,000 MWh of Solar power from our Solar power plant near Pudidhimavaram, Vizag.

Apart from Solar energy, In FY23, we also consumed 131,177 GJ of energy from biomass at some of our plants.

Our goal is to achieve a 20% share of renewable energy (Power to Power) by FY25 to address our Scope 2 emissions.

Aurobindo participated in CDP Disclosure 2022 (Performance in Climate Change and Water security) and received CDP score of 'C' for Climate Change and Water Security for exemplary performance as a First-Time responder.

Energy efficiency

We prioritise energy efficiency improvements at our manufacturing facilities and commit to measuring and reporting on these enhancements. Our energy efficiency projects include technology upgrades, optimisation initiatives, and equipment operation changes, resulting in significant energy savings. We have implemented various energy-saving measures to reduce our environmental impact, including conducting regular energy audits, installing energy-efficient equipment, and implementing co-generation boilers and process efficiency improvements.

These initiatives have been highly successful, resulting in substantial energy savings of approximately 2,316,079 GJ and a significant reduction in greenhouse gas emissions, estimated at 235,312 tCO₂e.

In FY23, our green belt development efforts helped avoid 14781 tCO₂e emissions.

Aurobindo became Associate Member of Pharmaceutical Supply Chain Initiative (PSCI) in 2022. The PSCI is a group of pharmaceutical and healthcare companies who share a vision of better social, health, safety and environmental outcomes in the communities.

Our commitment to sustainability drives us to closely monitor our emissions across all operations. We have established a comprehensive process that includes the implementation of standard operating procedures (SOPs), systematic assessment methods, and ongoing monitoring and evaluation. This allows us to effectively track our carbon footprint and identify areas for improvement.



Transition to green fuels

We promote the use of biomass (briquettes) and natural gas instead of coal or furnace oil in boilers at select manufacturing facilities. In FY23, we generated 131,177 GJ of energy from biomass, accounting for approximately 2% of our total energy consumption.

Carbon sequestration and green belt development

We prioritise carbon sequestration through the development of green belts within and beyond our facilities. Additionally, we raise awareness about sustainable agricultural practices through our Corporate Social Responsibility (CSR) initiatives. We also offset emissions resulting from our operations.

GHG emissions: Scope 1 and Scope 2 (tCO₂e)

Emissions	FY20	FY21	FY22	FY23
Scope 1	3,90,910	3,59,387	3,61,621	447,207
Scope 2	5,65,185	5,43,983	4,97,263	494,264
Total	9,56,095	9,03,370	8,58,885	941,472

GHG emissions Intensity

Emissions	Unit	FY20	FY21	FY22	FY23
Total Emissions	tCO ₂ e	9,56,095	9,03,370	8,58,885	941,472
Total Revenue	₹ Mn	2,30,985	2,47,746	2,34,555	2,48,550
Total Energy	GJ	65,56,122	62,17,790	61,42,177	68,67,123
Emission Intensity	tCO₂e/₹ Mn	4.14	3.65	3.66	3.79
Emission Intensity	tCO₂e/GJ	0.15	0.15	0.14	0.14

Natural capital

REGULATING SCOPE 3 EMISSIONS

By opting for sea transportation instead of air, we have successfully reduced supply chain emissions by approximately 4804 tCO₂e compared to FY18. Our future plans include increasing the proportion of export products transported by sea to over 90%, aiming to enhance supply chain efficiency even further.

To support these efforts, we empower our logistics providers to maintain emission dashboards that align with the GHG Accounting Protocol. This ensures accurate tracking of emissions and promotes transparency in our supply chain operations.

Curbing our Carbon Emissions – FY23

2,35,312tCO₂e

Emissions avoided through energy-saving initiatives

11,315tCO₂e

Emissions avoided through substituting coal with biomass

1,59,803tCO₂e

Emissions avoided through Solvent recovery

26,024tCO₂e

Emissions avoided through redirection of spent solvent to cement kilns

13085tCO₂e

Emissions avoided through Steam recovery

ENERGY EMISSION

We are bolstering our energy efficiency through the optimisation of our operations and processes. Our energy conservation team scrutinises various sources of energy and steam consumption, while our operational excellence team actively seeks out cutting-edge solutions to enhance efficiency and reduce resource utilisation.

To optimise our power utilisation, we implemented a range of energy conservation activities across our utilities, effluent treatment, and solvent recovery operations. These measures focused on performance assessments, automation of equipment, standardised procurement of energy-efficient equipment and the installation of energy-efficient motors, pump sets, refrigeration systems, and agitators, among others.

These initiatives included the installation and replacement of steam traps to

prevent steam loss and improve condensate recovery, resulting in a savings of 35.60 MT of coal in Unit 1.

Variable Frequency Drives (VFDs) were installed in cooling tower fans and cooling tower water circulation pumps, as well as process hot water circulation pumps, during low load operations, leading to savings of 0.319 Lakh kWh and 0.003 Lakh kWh in Unit 1, respectively.

Furthermore, the adoption of an Oil-Free Refrigeration (OFR) system in chilling plants resulted in energy savings of 7.60 lakh kWh in Unit 1.

Installing VFDs for Vapour Absorption Machine (VAM) secondary pumps and switching to energy-efficient water-cooled screw chillers contributed to savings of 0.170 Lakh kWh and 7.670 Lakh kWh in Unit 1 and Unit 5, respectively.

Other measures included increasing the chilled brine outlet temperature of

the evaporator, avoiding partial loading of air-cooled chillers, and replacing cooling tower fan blades with E-Glass Epoxy Coated FRP blades, leading to substantial energy savings in Unit 5.

In Unit 6, adjusting the chiller outlet set point and implementing a Pressure Powered Pump Package Unit (PPPPU) for condensate recovery resulted in significant energy savings.

Upgrading motors to higher energy-efficient standards for air handling units, boiler FD fans and process RT pumps as well as replacing energy-intensive pumps with energy-efficient ones contributed to savings in Unit 9.

At Unit 11, maintenance of steam traps, replacing oversized cooling water circulation pumps, and avoiding flow balancing pumps from the chilled water circuit led to coal and energy savings. Moreover, the installation of VFDs for chilled water secondary pumps, oxygen analysers in boilers, water-cooled

screw chillers, and vertical inline pumps resulted in substantial energy savings across multiple units.

Additional measures such as providing VFDs for utility pumps, automatic ON/OFF control for portable chillers, and

water recycling initiatives for gardening and cooling towers contributed to energy and water savings. VFD installations in the injectable cool zone and warehouse areas, as well as the replacement of high-energy lights with energy-efficient alternatives, resulted in significant energy savings in Unit 6.

Energy consumption (GJ)

Energy	FY20	FY21	FY22	FY23
Direct Energy	40,98,249	38,51,356	39,78,570	4,71,70,82
Indirect Energy	24,57,873	23,66,434	21,63,607	2,15,04,1
Total Energy	65,56,122	62,17,790	61,42,177	68,67,123

Energy intensity

	Unit	FY20	FY21	FY22	FY23
Total Energy	GJ	65,56,122	62,17,790	61,42,177	68,67,123
Total Revenue	₹ Mn	2,30,985	2,47,746	234,555	248,550
Energy Intensity	GJ/₹ Mn	28.38	25.10	26.19	27.63

Transition to renewable energy

- Our 30 MW Solar Power plant is located near Pydibhimavaram in Vizag, Andhra Pradesh, India. During the fiscal year, we generated and utilised approximately 43,000 MWh of solar energy.
- We have executed a long-term open access power purchase agreement (PPA) with NVNR Ramannapet-1, a 15 MW Solar Power Plant, and NVNR Ramannapet-2, another 15 MW solar power plant. This agreement allows us to annually utilise 640 Lakh kWh of solar energy from these plants.

4,20,172GJ

Total renewable energy consumed

1,31,177GJ

Generated using biomass briquettes

2,88,995GJ

Generated using solar plants



Natural capital

BIODIVERSITY

Our Company is committed to protecting the environment and minimising the negative impact of our operations. In alignment with this dedication, our Environment, Health, and Safety (EHS) team's eco-development wing has taken the lead in a variety of initiatives to achieve these goals.

Over a span of six years, we have carried out a significant afforestation campaign, covering a total area of 810 hectares, both within our facilities and the surrounding areas. This ambitious undertaking involved the planting of approximately 4,42,848 trees, carefully selected to include a diverse range of native species. These trees not only enhance the beauty of our surroundings but also play a vital role in capturing carbon dioxide, thereby contributing to a more balanced ecosystem.

To ensure the long-term success of our afforestation efforts, we have implemented rigorous monitoring and maintenance practices. As a result, we are pleased to report an impressive survival rate of over 80% for the established green areas. Moreover, we have introduced a captive decomposition system for garden waste in specific units. This sustainable initiative enables us to effectively manage and repurpose garden waste. By converting this waste into compost, we not only reduce the amount of waste sent to landfills but also support the health and maintenance of our green areas.



2,28,496tCO₂e

Trees planted of diverse indigenous species over 6 years

810hectares

Land covered by our plantation drive

14,781tCO₂e

Carbon sequestration

Key initiatives

- Implemented agroforestry techniques by introducing nitrogen-fixing trees like Pongamia pinnata, Dalbergia sissoo, Cassia siamea, and Bauhinia variegata, alongside other species such as Acacia, Azadirachta, Delonix, Melia, Cassia fistula, Neolamarckia cadamba, and Peltophorum. This diverse selection of trees promotes ecological balance and enhances the fertility of the soil.

- Adopted high-density plantations to maximise the number of plants accommodated in a limited area, thereby increasing the overall green cover and optimising land utilisation.
- Actively participated in government-led green belt development programs like Vanamahotsavam, Telanganaku Haritha Haram, and Vanam-Manam, demonstrating our commitment to collaborate with public initiatives for environmental conservation.
- Focused on specific initiatives such as planting trees along school premises and water bodies, recycling garden waste to produce vermicompost, and filling gaps in existing green belts to address any plant mortality and ensure the continuity of healthy vegetation.
- Implemented drip irrigation systems to efficiently provide water to the plantations both within our facilities and the surrounding areas. This water-efficient method helps sustain plant growth and conserve resources.

WATER MANAGEMENT

As a pharmaceutical company involved in processing, formulating, and producing pharmaceutical goods and active pharmaceutical ingredients (APIs), water plays a crucial role in our operations. We are fully committed to using water wisely and have implemented various measures for water reuse, recycling, and conservation.

We have undertaken initiatives such as recovering and reusing steam condensate, optimising water usage in chillers, redirecting rejected water from the Purified Water System and air handling unit (AHU) condensate to cooling towers, and installing innovative water taps, among others. These actions help us minimise water wastage and maximise its efficiency throughout our processes.

We strictly adhere to pollution prevention and control standards, ensuring that the levels of antibiotics in our wastewater, as measured by Predicted No-Effect Concentrations (PNECs) following the guidelines set by the AMR Industry Alliance, remain within acceptable limits. We closely monitor our water consumption on a regular basis and review relevant processes daily to ensure compliance.

Wastewater treatment and reuse

To effectively manage wastewater, we have implemented comprehensive effluent treatment plants (ETPs) equipped with advanced technologies across all our units. These ETPs collect, store, treat, and manage wastewater, enabling us to achieve zero liquid discharge (ZLD) status in some of our units. Additionally, we have implemented rainwater conservation strategies at certain production facilities to replenish groundwater and further contribute to water conservation efforts.



In FY23, about 1,09,80 OKL of rainwater has been harvested through rain water harvesting pits in some of units.

2,73,345KL

Of treated wastewater is reused at our production plants in FY23

Water withdrawal (million litres)

Fresh Water Withdrawal	FY20	FY21	FY22	FY23
Groundwater	1,737	1,568	1,824	2,014
Third-party water	1,759	1,908	1,512	1,666
Total fresh water withdrawal	3,496	3,476	3,336	3,681

Water withdrawal intensity (million litres)

	Unit	FY20	FY21	FY22	FY23
Total fresh water withdrawal	(ML)	3,496	3,476	3,336	3,681
Total revenue	₹ Mn	2,30,985	2,47,746	2,34,555	2,48,550
Fresh water withdrawal intensity	ML/₹ Mn	0.015	0.014	0.014	0.015

Natural capital

WASTE MANAGEMENT

At APL, responsible waste management is prioritised to ensure the smooth functioning of our operations while minimising environmental impact. We have adopted a comprehensive two-point strategy that focuses on reducing waste at its source and handling it responsibly throughout the waste management process. By implementing effective waste segregation practices, we enable efficient treatment, reuse, or disposal of waste materials.

62% (13,164 MT)

Of hazardous waste is sent for co-processing

38%

Of hazardous waste is sent to TSDF for safe disposal

100%

Of non-hazardous waste is recycled/reused

27,278 tonnes

Other recyclable waste handed over to authorised recyclers for reuse/recycling

~2 tonnes

E-waste sent for recycling

2,609

Used batteries disposed through buyback for recycling



Waste generated (MT)

Waste Generated	FY19	FY20	FY21	FY22	FY23
Hazardous waste	27,917	30,044	25,147	18,445	22,164
Other recyclable waste	20,836	17,568	15,325	31,527	27,278
Bio-medical	185	229	248	220	265
E-waste	6.41	5.34	1.00	6	2
Used oil	29	36	27	24	15
Waste intensity (MT/₹ Mn)	0.25	0.21	0.16	0.21	0.20

Sustainable packaging

Pharmaceutical companies around the world need to reduce the amount of plastic in their packaging and lower their carbon footprint and to this end, we have reviewed our existing system and adapted them to meet country-specific regulatory standards. By minimising total material use and energy consumption, we are also creating environment-friendly packaging. We believe that efficient and sustainable packaging solutions are essential to our journey to becoming a sustainable organisation.

Responsible supply chain

The global pharmaceutical industry has experienced significant growth over the past two decades, with sales of pharmaceutical items increasing sixfold. As this expansion has unfolded, supply networks have become increasingly global, complex, and opaque. Consequently, any disruptions to the supply chain can have a profound impact on our business.

We place a strong emphasis on maintaining a responsible and reliable supply chain. To ensure the smooth operation of our business, maximise customer value, and gain a competitive advantage across different regions, we continuously strive to simplify and streamline our supply activities. We have implemented a rigorous and meticulous system for identifying, selecting, and engaging suppliers with whom we establish long-term partnerships.

Our dedicated technical team follows industry best practices for vendor management and regularly organises supplier meetings to communicate our strategic ideas and discuss new projects. We prioritise the environmental and social components of the supply chain and collaborate with our suppliers to enhance their performance in these

areas. When selecting suppliers, we conduct a comprehensive evaluation process that includes assessing their credibility, environmental procedures, sound manufacturing techniques, and commitment to environmentally friendly practices. Our team continually monitors and evaluates these criteria for critical suppliers responsible for procuring vital raw materials and intermediates for our products.

To ensure compliance with local labour laws and international standards related to social responsibility, we conduct SA 8,000 audits. We require all our vendors to adhere to social elements such as contract labour, non-discrimination, equal rights, working hours, and environmental considerations. We have established a supplier Code of Conduct that encompasses both quality standards and ethical practices.

Local suppliers

We highly prioritise local sourcing as a key business objective. By procuring products and services from local vendors, we not only contribute to the growth of the local economy but also promote green manufacturing practices and reduce transportation-related externalities.

We specifically seek suppliers located near our production facilities, ensuring efficient supply chain management and minimising logistical challenges. These local suppliers are carefully selected based on their adherence to the required compliance and quality standards, guaranteeing that they meet our rigorous expectations.

Given that a significant portion of our operations is concentrated in the states of Andhra Pradesh and Telangana, it is natural that the majority of our suppliers are sourced from these regions. By working closely with local vendors, we strengthen our ties with the communities in which we operate and contribute to their sustainable growth and development.

41%

Of spending on local suppliers (Within India)

17%

Of spending on local-local suppliers (Within Telangana and Andhra Pradesh)

Percentage of new suppliers screened

(%)



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

Board of Directors

Guided by prudence

We are guided by a diverse and accomplished Board of Directors comprising individuals with extensive expertise across various domains. Their diverse backgrounds and wealth of experience bring valuable perspectives to the decision-making process, enabling the Company to benefit from a wide range of knowledge and insights.

03

Executive Directors

05

Independent Directors



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

- M
- M
- M
- M

Skill/Experience/Responsibilities

He is a Chartered Accountant and has rich experience in accounting, management, strategy, etc.



MR. K. NITHYANANDA REDDY
Vice Chairman &
Managing Director, Promoter

- M
- C

Skill/Experience/Responsibilities

He has expertise in manufacturing technology and he oversees production planning and provides guidance in the effective utilisation of capacities.



MR. P. SARATH CHANDRA REDDY
Non-Executive Director

- M

Skill/Experience/Responsibilities

He has experience in procurement, logistics, clinical trials, trading, and information technology.



DR. (MRS.) AVNET BIMAL SINGH
Non-Executive,
Independent Director

- M
- C
- M

Skill/Experience/Responsibilities

Dr. (Mrs.) Avnet Bimal Singh is a Senior Obstetrician/Gynaecologist in Hyderabad who provides valuable insights into new and current trends in medication and related fields.

Committee Details

- C Chairperson
- M Member
- Audit Committee
- Risk Management Committee
- Nomination & Remuneration / Compensation Committee
- Stakeholder Relationship Committee
- Corporate Social Responsibility Committee




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

- M

Skill/Experience/Responsibilities

He emphasises strategy development and future planning and identifies growth opportunities, acquisitions, and consolidation as key areas.



DR. M. SIVAKUMARAN
Whole-Time Director

- M

Skill/Experience/Responsibilities

40+ years' experience in Pharma. Oversees R&D, new product development, quality management and tech evolution of the Company.



MR. M. MADAN MOHAN REDDY
Whole-Time Director

- M

Skill/Experience/Responsibilities

Besides general management, he has extensive expertise in the regulatory affairs of the pharmaceutical industry.



MRS. SAVITA MAHAJAN
Non-Executive,
Independent Director

- M
- M
- M

Skill/Experience/Responsibilities

She has over 14 years of experience with the Indian School of Business, where she was the CEO responsible for building its second campus. She has rich experience in overall management and organisation.



MR. GIRISH P VANVARI
Non-Executive,
Independent Director

- C
- M
- M
- M
- M
- C

Skill/Experience/Responsibilities

He has extensive consulting experience of around three decades. He is the Founder of Transaction Square, a Tax, Regulatory, and Business Advisory Firm, and has previously worked with KPMG and Arthur Andersen.



MR. SANTANU MUKHERJEE
Non-Executive,
Independent Director

- M
- C
- M
- M
- M

Skill/Experience/Responsibilities

He has around four decades of experience in the field of banking, finance, risk management, etc. in various capacities in SBI Group. He held several senior positions in SBI Group handling commercial credit, international business, risk management, treasury operations, etc.

Business ethics and responsibility

Staying the course

Ethics and responsibility are core principles that form the foundation of our Company's ethos. At APL, we firmly believe in upholding these values in all aspects of our business. We strive to create a culture where every employee, regardless of their position, embraces these values and demonstrates the highest level of respect and responsibility towards our stakeholders and the communities we serve.

CODE OF CONDUCT

Our Code of Conduct serves as a testament to our unwavering dedication to upholding the highest standards of integrity and ethics. It provides clear guidelines and principles that govern the behaviour of all employees, including members of the Board and subsidiaries, at every level of our organisation. This policy is widely disseminated among our workforce and made readily accessible on our internal portal, ensuring that employees have easy access to it for reference and guidance.

Whistle-blower policy

This policy aims to encourage the active involvement of APL employees, channel partners, and vendors in reporting significant deviations from key management policies and any instances of non-compliance or unethical practices. It provides a platform for reporting concerns related to fraud, violations of laws, inappropriate behaviour, or misconduct.

Corporate social responsibility policy

The 'Aurobindo CSR Policy' serves as the guiding framework for Aurobindo Pharma's social responsibility initiatives. It reflects the Company's commitment to contributing to the welfare and sustainable development of the

Policy framework

Corporate social responsibility policy	Terms and conditions of appointment of Independent Directors
Policy on Board diversity	Supplier code of conduct
Nomination and remuneration policy	POSH policy
Policy on preservation of documents	Related party transaction policy
HR policy	Archival policy
Whistle-blower policy	EHS & S policy
	Sustainable procurement policy

community. The policy outlines the philosophy, guidelines, and mechanisms for undertaking socially beneficial programs. It applies to all CSR initiatives and activities undertaken by the Company under the direction and approach defined by the Board.

EHS & S policy

At APL, we are dedicated to upholding high standards in environmental protection, health, safety, and the well-being of all our stakeholders.

In line with evolving global practices, we are actively adopting the principles of Environmental, Social, and Governance (ESG) in a comprehensive manner. We are moving beyond mere compliance requirements to promote responsible

manufacturing, embrace diversity and inclusion, establish effective governance structures, and empower the communities in which we operate. This paradigm shift reflects our holistic approach towards sustainable practices and our commitment to making a positive impact.

POSH

This policy is in accordance with the provisions of "The Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013". The purpose of this policy is to prevent sexual harassment against women in the workplace and also to protect them. Aurobindo Pharma is committed to providing a safe working environment to women through strict implementation of the POSH policy.

Aurobindo Pharma is committed to providing a safe working environment to women. The purpose of this policy is to prevent sexual harassment against women in the workplace and also to protect them.

Supplier code of conduct

Aurobindo is committed to conducting business in an ethical and honest manner and in a way that promotes corporate social and environmental responsibility. Therefore, we require our suppliers, their employees, agents and sub-suppliers to operate in accordance with the principles and ethical standards contained in the Supplier Code of Conduct.

SUSTAINABLE GOVERNANCE

Our sustainability governance framework serves as the foundation of our strategy and objectives. We are committed to maximising economic value while meeting environmental and social expectations. Our sustainability governance strategy sets the goals and framework for our sustainability policy and oversees the implementation of relevant programmes. It also ensures the integration of Environmental, Social, and Governance (ESG) principles into our Company's operations. The current Board of Directors provides leadership and oversight for our sustainability agenda and sets future goals.

The Council is responsible for developing a comprehensive sustainability strategy and ensuring its integration across all business operations. It effectively manages stakeholders and fosters sustainable values through collaborative partnerships.

MEMBERSHIPS OF ASSOCIATIONS

Aurobindo Pharma is associated with various national and international forums and organisations to address global environmental concerns as a responsible corporate.

- Export Promotion Council for EOU and SEZ
- AMR Industry Alliance (AMRIA)
- Indian Drug Manufacturers Association
- Indian Chamber of Commerce & Industry
- The Federation TG and AP Chambers of Commerce & Industry (FAPCCI)
- Confederation of Indian Industry
- Andhra Chamber of Commerce
- Bulk Drug Manufacturers Association
- Pharmaceuticals Export Promotion Council of India
- Indo American Chamber of Commerce
- JNPC Manufactures Association
- Telangana Chambers of Commerce and Industry
- Federation of Indian Micro and Small and Medium Enterprises (FIMSE)
- Indo Australian Chamber of Commerce
- Indian Pharmaceutical Alliance (IPA)
- ANZ business
- Council for Healthcare and Pharma
- Federation of Asian Biotech Associations
- Pharmaceutical Supply Chain Initiative(PSCI)

The Working Group is responsible for implementing initiatives related to their respective areas of expertise. They supervise on-the-ground personnel and provide feedback on the feasibility of various sustainability projects. Representatives from the team collect facility-level data on sustainability

indicators and collaborate with plant heads and suppliers to establish programmes at our manufacturing units. This committee meets regularly every two months to discuss progress and drive sustainability initiatives forward.



Risk management

Future-proofing our business

Our ERM framework is aligned with the internationally recognised COSO ERM Framework 2017 developed by the Treadway Commission. It ensures that risk management practices are integrated throughout our value chain, enabling us to proactively manage significant risks. By doing so, we aim to minimise the negative impact of risks, capitalise on market opportunities, strengthen our competitive advantage, and create value for our stakeholders.

RISK GOVERNANCE STRUCTURE



RISK MANAGEMENT PROCESS

Risk identification	Risk mitigation	Risk assessment	Risk monitoring and reporting
Risk identification is carried out through discussions with business leaders and by updating risk registers. This process involves engaging with key stakeholders to identify potential risks that could affect the organisation's objectives and operations.	Risk mitigation involves assigning responsibility to business heads or process owners to take appropriate measures to mitigate identified risks. These measures are implemented within specified timeframes to minimise the impact or likelihood of the risks materialising. Regular monitoring and review of the progress of these mitigation actions are conducted to ensure their effectiveness.	Risk assessment involves evaluating identified risks and ranking them based on their likelihood of occurrence and potential impact. This helps prioritise risks and allocate resources for their mitigation. Risks are assessed within acceptable tolerance limits to determine the level of risk that the organisation is willing to accept.	The Risk Management Committee (RMC) receives regular risk reports that provide updates on the identified risks and their status. This information is communicated to the RMC, where it is discussed and appropriate actions are determined. The Board of Directors also receives periodic updates on critical risks, their implications, and the necessary mitigation measures.

KEY BUSINESS RISKS

- Supply chain disruption risks
- Economic and geopolitical risks
- Competition risks
- Pricing risks
- Market risks
- Regulatory, statutory and legal compliance risks
- Environment, health and safety risks
- Patent protection risks
- Financial risks
- People risks
- Information technology (IT) and cyber security risks

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AUROBINDO PHARMA LIMITED

(CIN - L24239TG1986PLC015190)

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

Corp. Office: Galaxy, Plot No.1, Survey No.83/1, Hyderabad Knowledge City, Raidurg Panmaktha,
Hyderabad – 500 032, Telangana, India.

Tel No. +91 40 66725000 / 6672, Fax No. +91 40 67074044

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

NOTICE

NOTICE is hereby given that the 36th Annual General Meeting of the Members of Aurobindo Pharma Limited will be held on **Friday, the 25th day of August 2023 at 3.30 p.m. IST through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”)** to transact the following business:

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

SPECIAL BUSINESS

- To ratify the remuneration payable to the Cost Auditor appointed by the Board of Directors of the Company for the financial year 2023-24 pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013, by passing with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of the Companies Act, 2013, the remuneration of ₹ 650,000/- (Rupees six lakhs and fifty thousand only) excluding applicable taxes payable to M/s. EVS & Associates, Cost Accountants, Hyderabad, for conducting audit of the cost records of the Company for the financial year 2023-24, as approved by the Board of Directors of the Company, be and is hereby ratified.”

By Order of the Board

B. Adi Reddy
Company Secretary
Membership No. ACS 13709

Place: Hyderabad
Date : May 27, 2023

NOTES

- Pursuant to the General Circular No. 10/2022 dated December 28, 2022, issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/HO/CFD/PoD-2/P/ CIR/2023/4 dated January 5, 2023, issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as the “Circulars”), companies are allowed to hold Annual General Meeting (AGM) through VC/OAVM, without the physical presence of the members at a common venue. Hence, in compliance with the aforesaid Circulars, the 36th AGM of the Company is being held through VC / OAVM.
- Pursuant to the provisions of the Companies Act, 2013 (the “Act”), generally a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- Institutional/Corporate Members (i.e. other than individuals/ HUFs, NRIs, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or Governing Body Resolution / Authorization etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and cast its votes through e-voting. The said Resolution / Authorization shall be sent to the Scrutinizer by email through its registered email address to anderam@rediffmail.com with a copy marked to evoting@kfintech.com.
- The Explanatory Statement setting out all material facts pursuant to Section 102 of the Act with respect to the Special Business set out in the Notice, is annexed and forms part of the Notice.
- The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice are also available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to cs@aurobindo.com.
- The Register of Members and Share Transfer Books of the Company will remain closed from August 23, 2023, to August 25, 2023 (both days inclusive).
- The Board of Directors of the Company has declared interim dividend of ₹ 3.00 per share of ₹ 1 each for the financial year 2022-23 and the same was paid on March 3, 2023.
- During the financial year, the unpaid / unclaimed third interim dividend for the financial year 2014-15, interim dividend, second interim dividend and third interim dividend for the financial year 2015-16 were transferred to the Investor Education and Protection Fund (IEPF). The Company has uploaded the details of the unpaid and unclaimed dividend amounts of the previous years on the website of the Company (www.aurobindo.com) and on the website of Ministry of Corporate Affairs. The fourth Interim unpaid / unclaimed dividends for the financial year 2015-16 and other unpaid / unclaimed dividends for the financial year 2016-17 will be transferred to the IEPF of the Central Government on respective due date(s) along with eligible equity shares. To claim the equity shares and dividends that were transferred to IEPF, Members may file e-Form IEPF 5 with the Ministry of Corporate Affairs and submit all the required documents as prescribed under IEPF Rules. The concerned members / Investors are advised to file Web based e-Form IEPF 5 with the Ministry of Corporate Affairs using the web link <https://www.mca.gov.in/mcafoportal/login.do> or contact KFin Technologies Limited, the Registrar and Transfer Agent (RTA) of the Company or send email to ig@aurobindo.com, for assistance/ clarification in regard to claim for refund of shares and / or dividend from IEPF Authority.

Notice Contd.

The following are the due dates for transfer of unclaimed / unpaid dividends for the financial year 2015-16 and thereafter to IEPF:

Financial year	Dividend	Declaration Date	Due Date
2015-16	4 th Interim Dividend	May 30, 2016	July 5, 2023
2016-17	Interim Dividend	November 14, 2016	December 20, 2023
2016-17	2 nd Interim Dividend	May 29, 2017	July 3, 2024
2017-18	Interim Dividend	November 9, 2017	December 14, 2024
2017-18	2 nd Interim Dividend	February 7, 2018	March 14, 2025
2018-19	Interim Dividend	November 12, 2018	December 17, 2025
2018-19	2 nd Interim Dividend	February 7, 2019	March 14, 2026
2019-20	Interim Dividend	November 12, 2019	January 16, 2027
2019-20	2 nd Interim Dividend	February 6, 2020	April 12, 2027
2020-21	Interim Dividend	August 12, 2020	October 17, 2027
2020-21	2 nd Interim Dividend	November 11, 2020	January 16, 2028
2020-21	3 rd Interim Dividend	February 19, 2021	April 16, 2028
2021-22	Interim Dividend	August 12, 2021	September 16, 2028
2021-22	2 nd Interim Dividend	November 8, 2021	December 13, 2028
2021-22	3 rd Interim Dividend	February 9, 2022	March 16, 2029
2021-22	4 th Interim Dividend	May 30, 2022	July 4, 2029
2022-23	Interim Dividend	February 9, 2023	March 16, 2030

9. Members holding shares in physical form are requested to notify immediately any change in their address to the Company's RTA. Members holding shares in electronic form may intimate any such changes to their respective Depository Participants (DPs).
10. In terms of Schedule I of the SEBI (LODR) Regulations, 2015, the listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as National Automated Clearing House (NACH), National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) for making payments like dividend to the Members. Accordingly, Members holding securities in dematerialized mode are requested to update their bank details with their depository participants. Members holding securities in physical form may send a request updating their bank details in form ISR-1 to the Company's Registrar and Transfer Agent.
11. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by October 1, 2023, and linking PAN with Aadhaar by June 30, 2023, vide its circular dated March 16, 2023. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's RTA, KFin Technologies Limited, at einward.ris@kfintech.com. The forms for updating the same are available at <https://www.aurobindo.com/investors/shareholder-information/registrar-and-share-transfer-agent>.
- Members holding shares in electronic form are, therefore, requested to submit their PAN to their DP.

In case a holder of physical securities fails to furnish PAN and KYC details before October 1, 2023, or link their PAN with Aadhaar before June 30, 2023, in accordance with the SEBI circular dated March 16, 2023, RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the RTA / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

Non-Resident Indian Members are requested to inform KFinTech / respective DPs, immediately of any change in their residential status on return to India for permanent settlement by submitting particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not already furnished.

12. In accordance with amendments to Regulation 40 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), physical transfer of shares is not permitted with effect from April 1, 2019. Therefore, request for transferring physical shares will not be accepted by the Company and/or its Registrar and Share Transfer Agent, KFinTech. However, transmission and transposition of shares in physical form are permitted. Transfer(s) of equity shares in electronic form are effected through the depositories with no involvement of the Company. Members holding shares in physical form are requested to consider converting their holdings to electronic / dematerialized form.

13. Pursuant to Section 72 of the Act, Members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-13, to the RTA of the Company. Further, Members desirous of cancelling/ varying nomination pursuant to Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14, to the RTA of the Company.
14. In compliance with the aforesaid Circulars, the Notice of AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice of AGM and Annual Report 2022-23 is also available on the Company's website www.aurobindo.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of KFin Technologies Limited, <https://www.kfintech.com> (<https://evoting.kfintech.com>)
15. In terms of Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014 and as per the requirements of the Listing Regulations, the Company is providing the facility to its Members holding shares in physical or dematerialised form as on the cut-off date, i.e. August 18, 2023, to exercise their right to vote by electronic means on all of the agenda items specified in the accompanying Notice of AGM.
16. For receiving all communication (including Annual Report) from the Company electronically and to register / update bank details for receipt of dividends:
- Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective DP as per the process advised by the DP.
- The members holding shares in physical mode are requested to update their email addresses with the Company's RTA, KFin Technologies Limited at einward.ris@kfintech.com, to receive copies of the Annual Report 2022-23 in electronic mode. Members may follow the process detailed below for registration of email ID to obtain the report and update of bank account details for the receipt of dividend.
- For availing the following investor services by the shareholders holding shares in physical mode, send a written request in the prescribed forms to the RTA of the Company, KFin Technologies Limited, either by email at einward.ris@kfintech.com or by post to KFin Technologies

Limited, Unit: Aurobindo Pharma Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500 032:

- To register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode – Form **ISR-1**
- To update of signature of securities holder – Form **ISR-2**
- For nomination as provided in Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 - Form **SH-13**
- Declaration to opt out - Form **ISR-3**
- Cancellation of nomination by the holder(s) (along with ISR-3) / Change of nominee - Form **SH-14**
- Form for requesting issue of duplicate certificate and other service requests for shares / debentures /bonds, etc., held in physical form - Form **ISR-4**

The above forms are available at <https://www.aurobindo.com/investors/shareholder-information/registrar-and-share-transfer-agent>.

17. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
18. In terms of the provisions of Section 152 of the Act, Dr. M. Sivakumaran and Mr. P. Sarath Chandra Reddy, are the Directors who retire by rotation at this AGM. Brief resume of Directors who are proposed to be appointed, nature of their expertise in specific functional areas, names of the companies in which they hold directorships and membership/chairmanships of Board Committees and shareholding in the Company as stipulated under SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of the Company Secretaries of India, are forming part of the Notice and appended to the Notice.
19. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.
20. The Company has appointed M/s. KFin Technologies Limited (KFinTech), Registrar and Transfer Agents, to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the AGM.
21. Pursuant to the provisions of the Circulars on the VC/ OVAM, Members can attend the AGM through log in credentials provided to them to connect to Video conference. Physical attendance of the Members at the AGM venue is not required.

Notice Contd.

22. The Members can join the AGM 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice.
23. Up to 2,000 members will be able to join on a first come first serviced basis to the AGM.
24. No restriction is applicable for joining into the AGM in respect of large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc.
- e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
- vi. The remote e-Voting period commences on August 22, 2023 (9.00 a.m.) and ends on August 24, 2023 (5 p.m.).
- vii. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date (i.e., August 18, 2023).
- viii. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if he / she is already registered with Kfintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.
- ix. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."
- x. The detailed process and manner for remote e-Voting and e-AGM are explained herein below:

PROCEDURE FOR REMOTE E-VOTING

- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations, and in terms of SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility to be provided by the Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by Kfintech, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.
- ii. Further, the facility for voting through electronic voting system will also be made available during the AGM ("Insta Poll") and Members attending the AGM who have not cast their vote(s) by remote e-voting will be able to vote during the AGM through Insta Poll.
- iii. The Company has engaged the services of Kfintech as the agency to provide e-voting facility.
- iv. Pursuant to SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
- v. Individual demat account holders would be able to cast their vote without having to register again with the

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

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

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

Details on Step 1 are mentioned below:

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>1. User already registered for IDeAS facility may follow the following procedure:</p> <ol style="list-style-type: none"> Visit URL: https://eservices.nsdl.com Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. Click on "Active E-voting Cycles" option under E-voting. You will see Company Name: "Aurobindo Pharma Limited" on the next screen. Click on the e-Voting link available against Aurobindo Pharma Ltd or select e-Voting service provider "Kfintech" and you will be re-directed to the e-Voting page of Kfintech to cast your vote without any further authentication. <p>2. User not registered for IDeAS e-Services may follow the following procedure:</p> <ol style="list-style-type: none"> To register click on link: https://eservices.nsdl.com Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Proceed to complete registration using your DP ID, Client ID, Mobile Number etc. After successful registration, please follow steps given under point 1 above, to cast your vote. <p>3. Alternatively the users may directly access the e-Voting website of NSDL</p> <ol style="list-style-type: none"> Open URL: https://www.evoting.nsdl.com/ Click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e., Kfintech. On successful selection, you will be redirected to Kfintech e-Voting page for casting your vote during the remote e-Voting period.
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Existing user who have opted for Easi / Easiest may follow the following procedure:</p> <ol style="list-style-type: none"> Visit URL: https://web.cdslindia.com/myeasinew/home/login or URL: www.cdslindia.com Click on New System Myeasi Login with your registered user id and password. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. Kfintech e-Voting portal. You will see Company Name: "Aurobindo Pharma Limited" on the next screen. Click on the e-Voting link available against Aurobindo Pharma Ltd or select e-Voting service provider "Kfintech" and you will be re-directed to the e-Voting page of Kfintech to cast your vote without any further authentication. Click on e-Voting service provider name to cast your vote. <p>2. User not registered for Easi/Easiest may follow the following procedure:</p> <ol style="list-style-type: none"> Option to register is available at https://web.cdslindia.com/myeasinew/Registration/EasiRegistration Proceed to complete registration using your DP ID-ClientID (BO ID), etc. After successful registration, please follow steps given under point 1 above to cast your vote. <p>3. Alternatively, by directly accessing the e-Voting website of CDSL</p> <ol style="list-style-type: none"> Visit URL: www.cdslindia.com Provide your Demat Account Number and PAN No. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, you will enter the e-voting module of CDSL. Click on the e-Voting link available against Aurobindo Pharma Ltd or select e-Voting service provider "Kfintech" and you will be re-directed to the e-Voting page of Kfintech to cast your vote without any further authentication.
Individual Shareholders login through their demat accounts / Website of Depository Participant	<ol style="list-style-type: none"> You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against Aurobindo Pharma Ltd or e-Voting service provider – Kfintech and you will be redirected to e-Voting page of Kfintech to cast your vote during the remote e-Voting period without any further authentication.

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

Notice Contd.

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

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

Details on Step 2 are mentioned below:

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

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

- i. Launch internet browser by typing the URL: <https://evoting.kfintech.com/>.
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote. If required, please visit <https://evoting.kfintech.com> or contact toll-free numbers 1-800-309-4001 (from 9:00 a.m. to 6:00 p.m. on all working days) for assistance on your existing password.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.

- vi. On successful login, the system will prompt you to select the "EVEN" i.e., 'Aurobindo Pharma Ltd- AGM' and click on "Submit".
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat account.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "SUBMIT".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting, together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id anderam@rediffmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name EVEN No."

Procedure for registration of email and mobile number for securities held in physical mode

Shareholders holding shares in physical form are requested as per SEBI Circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/ CIR/2023/37, dated March 16, 2023, to register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. Shareholder can register/update the contact details through submitting the requisite ISR 1 form along with the supporting documents.

ISR 1 Form can be obtained from the following web link: <https://ris.kfintech.com/clientservices/isc/default.aspx>

ISR Form(s) and the supporting documents can be provided by any one of the following modes:

- a) Through 'In Person Verification' (IPV): The authorized person of the RTA shall verify the original documents furnished by the shareholder and retain copy(ies) with IPV stamping with date and initials; or
 - b) by submitting self-attested physical copies at the following address:

Name: KFIN Technologies Limited

Address Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India – 500 032, or
 - c) by submitting through electronic mode with e-sign in the following web link: <https://ris.kfintech.com/clientservices/isc/default.aspx>

Detailed FAQs can be found on the web link: <https://ris.kfintech.com/faq.html>

For more information on updating the email and mobile number for securities held in electronic mode, please consult your DP where your demat account is being held.
- (B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

- i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and

mobile number provided with KFintech, by accessing the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to inward.ris@kfintech.com.

- ii. Alternatively, member may send an e-mail request at the email id inward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
- iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Details on Step 3 are mentioned below:

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

- i. Members will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/ KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the AGM. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.
- ii. Facility for joining AGM through VC/ OAVM shall open at least 15 minutes before the commencement of the AGM.
- iii. Members are encouraged to join the AGM through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

Notice Contd.

- v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at ig@aurobindo.com. Questions /queries received by the Company till August 22, 2023 shall only be considered and responded during the AGM.
- vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting during the AGM. If a Member cast votes by both modes, then voting done through Remote e-voting shall prevail and voting during the AGM shall be treated as invalid.
- viii. Facility of joining the AGM through VC / OAVM shall be available for at least 2,000 members on first come first served basis.
- ix. Institutional Members are encouraged to attend AGM through VC / OAVM and vote during the AGM.
- iii. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFintech Website) or contact Mrs. C. Shobha Anand, Deputy Vice President, at evoting@kfintech.com or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.
- iv. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on August 18, 2023, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- v. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
 - i. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - ii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.

OTHER INSTRUCTIONS

- I. **Speaker Registration:** The Members who wish to speak during the AGM may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from KFintech. On successful login, select 'Speaker Registration' which will be opened from Tuesday, August 22, 2023, 9.00 a.m. IST to Wednesday, August 23, 2023, 5.00 p.m. IST. Members shall be provided a 'queue number' before the AGM. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
- II. **Post your Question:** The Members who wish to post their questions prior to the AGM can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the email received from KFintech. On successful login, select 'Post Your Question' option which will be opened from August 22, 2023, to August 23, 2023.

Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, i.e., August 25, 2023.

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

Item No.6 - Ratification of Remuneration to Cost Auditors for FY 2023-24

The Board, on the recommendation of the Audit Committee, has approved on May 27, 2023, the appointment of M/s. EVS & Associates, Cost Accountants, Hyderabad, at a remuneration of ₹ 650,000/- (Rupees six lakh fifty thousand only) excluding applicable taxes and reimbursement of actual expenses, to conduct the Cost Audit of the Company's cost records for the financial year 2023-24. The current year recommended remuneration of cost auditor is equal to the previous year remuneration, and this is after considering the transfer of several manufacturing units of the Company to Apitoria Pharma Private Limited, a wholly owned subsidiary of the Company w.e.f. April 1, 2023. Though the scope of cost audit work is reduced when compared to the previous financial year, the remuneration to the cost auditor recommended for the financial year 2023-24 is commensurate with the scope of work involved.

In accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit & Auditor Rules), 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company. Accordingly, consent of the Members is sought for passing an ordinary resolution as set out in Item No.6 of the Notice.

None of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution.

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

By Order of the Board

B. Adi Reddy
Company Secretary
Membership No. ACS 13709

Place: Hyderabad
Date : May 27, 2023

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

Notice Contd.

Details of the Directors proposed to be appointed/re-appointed at the AGM scheduled to be held on August 25, 2023 as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are as given below:

Brief profile of Dr. M. Sivakumaran

Dr. M. Sivakumaran has about 48 years of experience in the pharmaceutical industry. He is responsible for the technological evolution of the Company. Dr. M. Sivakumaran is a Whole-time Director of the Company and looks after research and development, generic product development and total quality management activities.

Age	80
Qualification	Postgraduate in Science and PhD
Experience (including expertise in specific functional area)/ Brief Resume	He has about 48 years of experience in the pharmaceutical industry. He is responsible for the technological evolution of the Company. Dr. M. Sivakumaran looks after research and development, generic product development and total quality management.
Terms and Conditions of Appointment/Reappointment	Dr. M. Sivakumaran seeking reappointment as director who retires by rotation
Remuneration last drawn (including sitting fees, if any)	₹ 23.33 million as a Whole-time Director for the year ended March 31, 2023.
Remuneration proposed to be paid	The proposal is for appointment as a director on retirement by rotation.
Date of first appointment on the Board	March 30, 1992
Shareholding in the Company as on March 31, 2023	14,491,360 equity shares of ₹ 1 each
Relationship with other Directors/Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
Number of meetings of the Board attended during the year ended March 31, 2023.	4
Directorships of other Boards as on March 31, 2023	CuraTeQ Biologics Private Limited Tergene Biotech Limited Auroactive Pharma Private Limited Auro Peptides Limited APL Healthcare Limited Eugia Steriles Private Limited Aurobindo Pharma Foundation
Board Membership of other listed companies and the membership of Committees of the board as on March 31, 2023	Nil
Directorships of other listed entities from which he resigned in the past three years	Nil
Membership/Chairmanship of Committees of other Boards as on March 31, 2023	Member of Nomination and Remuneration Committee and Audit Committee of Auro Peptides Limited and Member of CSR Committee of APL Healthcare Limited

The members of the Company at their 34th Annual General Meeting held on August 26, 2021, re-appointed Dr. M. Sivakumaran as whole-time director of the Company for a period of 3 years with effect from June 1, 2021. Since Dr. M. Sivakumaran attained the age of 78 years at the time of re-appointment, the members re-appointed him by passing a special resolution.

Brief profile of Mr. P. Sarath Chandra Reddy.

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

Age	38
Qualification	Graduate in Business Administration
Experience (including expertise in specific functional area)/ Brief Resume	He is a second-generation entrepreneur experienced in general management and has expertise in project executions, IT, procurement, etc.
Terms and Conditions of Appointment/Reappointment	Mr. P. Sarath Chandra Reddy is seeking reappointment as director who retires by rotation.
Remuneration last drawn (including sitting fees, if any)	He was a whole-time director of the Company upto November 12, 2022, and continues as a non-executive director. Mr. Sarath has drawn ₹ 8.16 million remuneration as a Whole-time Director during the period from April 1, 2022 to November 12, 2022.
Remuneration proposed to be paid	The proposal is for appointment as a non-executive director on retirement by rotation. He is entitled for sitting fee for attending Board / Committee meetings.
Date of first appointment on the Board	September 27, 2007
Shareholding in the Company as on March 31, 2023	Not holding any shares directly but a beneficial owner through a family trust that owns shares in the Company.
Relationship with other Directors/Key Managerial Personnel	He is related to Mr. P. V. Ramprasad Reddy, Director of the Company.
Number of meetings of the Board attended during the year ended March 31, 2023	3
Directorships of other Boards as on March 31, 2023	APL Healthcare Limited Shreas Industries Limited PVR Chemphar Private Limited Auronext Pharma Private Limited Aurobindo Pharma Foundation
Board Membership of other listed companies and the membership of Committees of the board as on March 31, 2023	Nil
Directorships of other listed entities from which he resigned in the past three years	Nil
Membership/Chairmanship of Committees of other Boards as on March 31, 2023	Member of CSR Committee of Auronext Pharma Private Limited and APL Healthcare Limited

Dear Members,

Your Directors are pleased to present the 36th Annual Report of your Company together with the audited accounts for the financial year ended March 31, 2023.

FINANCIAL HIGHLIGHTS

Consolidated & Standalone Financials (₹ in million)

	Consolidated		Standalone	
	2022-23	2021-22	2022-23	2021-22
Revenue from operations	2,48,554	2,34,555	1,27,923	1,12,871
Profit Before Depreciation, Interest, Tax and Exceptional Items*	39,976	46,759	21,647	21,444
Depreciation	12,446	11,265	4,354	4,153
Finance cost	1,405	486	1,150	169
Exceptional items	-	1,280	-	747
Profit Before Tax	26,125	33,727	16,144	16,375
Provision for Tax	6,849	7,256	3,839	1,828
Net Profit After Tax	19,277	26,471	12,304	14,547
Other Comprehensive Income/ (Expense)	7,356	2,617	59	17
Total Comprehensive Income for the period	26,632.3	29,088	12,363	14,564

* Including other income and share of loss of joint venture and associates (net of tax)

DIVIDEND

Your Company has paid an interim dividend of 300% i.e., ₹ 3.00 per equity share of ₹ 1 for the financial year 2022-23 against 900% i.e., ₹ 9.00 per equity share of ₹ 1 paid in the previous year. The dividend recommended for the financial year 2022-23 is in accordance with the Company's Dividend Distribution Policy. Higher dividends were paid during the previous year considering the profits made by the Company on disposal of Natrol LLC, USA, a wholly owned step-down subsidiary of the Company engaged in nutraceutical business.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top 1,000 listed entities based on market capitalisation are required to formulate a Dividend Distribution Policy. The Board has approved and adopted the Dividend Distribution Policy and the same is available on the Company's website: https://www.aurobindo.com/api/uploads/disclosure_under_regulation/Dividend-Distribution-Policy.pdf

PERFORMANCE REVIEW

Your Company is one of the leading generic pharma companies globally. Your Company is also the largest supplier in the USA by prescription volume as per IQVIA data for the quarter ending March 31, 2023. Your Company maintained its growth momentum in revenue despite headwinds caused by the pandemic.

On a standalone basis, your Company's revenue increased by 13.3% to ₹127,923 million in FY22, as against ₹112,871 million in the corresponding previous period. The Formulations business increased by 14.8% to ₹76,653 million. The API business witnessed a growth of 8.2% to ₹47,410 million. Profit Before

Depreciation, Interest, Tax and Exceptional Items for FY23 increased by 0.9% to ₹21,647 million, compared to ₹21,444 million in FY22. Profit Before Tax for the year decreased by 1.4% Y-o-Y to ₹16,114 million. Your Company's Net Profit After Tax (before Other Comprehensive Income) decreased by 15.4% to ₹12,304 million as against ₹14,547 million in FY22.

On a consolidated basis, the revenues increased by 6.0% to ₹2,48,554 million. The formulations business increased by 5.4% to ₹210,074 million from ₹199,393 million in the corresponding previous period. The Active Pharmaceutical Ingredients (APIs) business posted a growth of 9.5% to ₹38,478 million vs. ₹35,156 million in FY22. Profit Before Depreciation, Interest, Tax and Exceptional Items stood at ₹39,976 million, witnessing a 14.5% decrease Y-o-Y. Profit Before Tax for the year stood at ₹26,125 million, compared to ₹33,727 million in the previous year. Your Company reported a Net Profit After Tax (before Other Comprehensive Income) of ₹19,277 million in FY23, vs. ₹26,471 million in FY22. The Diluted Earnings Per Share (reported) stood at ₹32.9 in FY23, compared to ₹45.19 in FY22.

The US is the largest market for your Company and accounted for 46.9% of the total revenue. US revenue increased by 4.8% to ₹116,544 million. Your Company launched 34 products in FY23. Your company's market share by prescription volume (IQVIA TRX) in the US, for the quarter ending March 2023 stands at 8.7%, positioning your Company as the largest generic pharmaceutical player.

Your Company continues to strengthen its pipeline for the global markets including the US market. As on March 31, 2023, your Company filed 774 Abbreviated New Drug Applications (ANDAs) on a cumulative basis. Of the total count, 565 have

received final approvals and 34 received tentative approvals and 175 ANDAs are currently under review.

Your Company's revenue in its Europe formulations business was ₹64,256 million in FY23 compared to ₹64,803 million in FY22. Your Company now operates in ten countries in EU/UK and is present across multiple channels including pharmacy, hospital and tender business.

The ARV Formulations business stood at ₹9,544 million in FY23, growing 14.6% compared to ₹8,330 million in FY22.

Growth Markets segment, including Brazil, Canada, Columbia and South Africa and others, grew by 31.2% Y-o-Y to ₹19,729 million.

OUTLOOK

FY23 was a challenging year for businesses, as the global economy slowly recovering from the pandemic was subjected to geo-political shocks leading to soaring inflation and hurting demand. Your company's effort in diversifying product portfolio and improving operational efficiency helped it to overcome the turbulent macro-economic environment significantly.

Your Company made significant progress in advancing the biosimilar and vaccine development program during the year. Through continued focus on R&D, the company has advanced the complex product portfolio and capacity further for commercialization.

Your company maintains its strong position in the key geographies of the US and Europe and is poised to grow through new launches and increasing access. In the US, your company has filed 774 ANDAs till March 31, 2023, with estimated total market potential of US\$150 billion as per IQVIA data. 565 out of the total filed ANDAs have received final approval, while 209 ANDAs are in different stages of the review process. During the year, your company filed 49 ANDAs with the US FDA, including 10 ANDAs for injectable products, and received final approvals for 59 products including for 16 injectable products. The company remains committed to broaden the array of branded OTC products in line with the market trend.

For the Europe market, your Company now has Operations in ten countries with full-fledged pharmacy, hospital and tender sales infrastructure. It now ranks amongst the top 10 generic pharmaceutical companies in 8 countries of Europe. Your Company aims to expand its market share and growth, through new launches including day 1 launches, differentiated offerings, niche and complex products like Biosimilars. The company also completed building the Europe market focused injectable facility at Vishakhapatnam, India, which is in the process of commissioning.

Your company preserved its ARV market dominance by winning bids to supply in both the Global fund and PEPFAR allocation

this year. Despite price erosion, its efficient capacities and pricing capability have been a key factor in maintaining leading position in the Dolutegravir-based regimen which is the standard therapy for HIV.

Among the key growth markets, your Company has completed building a Orals facility at Taizhou, China which is in the process of commissioning. Moreover, in China, the Company has filed 30 import products and has received 6 approvals till March 31, 2023, which will be manufactured in units in India. In Canada, your Company has 188 approved products while 52 products are awaiting final approval as at the end of FY23.

Your Company has long been focused on creating an efficient API business, which is a key component in the company's overall growth journey. As part of the ongoing strategy, the API business operations have been carved into a wholly owned subsidiary. This move is expected to bring higher management bandwidth and more emphasis on growth and productivity within the API segment.

Last year your Company had launched a Penicillin-G project in Kakinada, Andhra Pradesh, of 15,000 tonnes/annum capacity, as part of the Indian Government's production linked incentives (PLI) scheme. The project is progressing well on time and is expected to be completed in FY24.

RESEARCH AND DEVELOPMENT (R&D)

Aurobindo, over the years, has consistently invested in R&D for improving capabilities and on-boarding talented people across the globe. Your Company now has a team of more than 1,500 scientists and analysts. This enables your Company to develop a wide range of medications from generics to complex speciality products. Currently, Aurobindo has nine Research and Development (R&D) centres, of which five are in India and four are in the USA. The R&D centres are equipped with cutting-edge technologies where the talented scientists develop generics and difficult-to-develop products and strive to improve productivity. During FY23, your Company invested 5.7% of its consolidated revenue or ₹ 14,115 million as against ₹ 15,814 million or 6.7% of its consolidated revenue in FY22 in R&D.

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

During the year, your Company has continued to advance our Phase 3 clinical trials of two oncology and one ophthalmic biosimilar products, including completion of the treatment phase of our trastuzumab, a biosimilar to Herceptin.

Board's Report Contd.

To support future product launches, it has incurred a capacity expansion in both the microbial and mammalian drug substance manufacturing facilities. The additional microbial drug substance manufacturing capacities are commissioned for use already in FY23, while the two new mammalian production lines will be ready for use in FY24.

The 15 Valent Pneumococcal Conjugate Vaccine, developed by Tergene Biotech, a joint venture 80% owned by your Company, completed successful 3+0 trial in 1,130 pediatric subjects. The vaccine received recommendation from Subjects Expert Committee, that operates under the aegis of CDSCO, for grant of permission to Tergene to manufacture and market the vaccine with three dose schedule in pediatric age group of 6, 10 and 14 weeks.

ENVIRONMENT, HEALTH AND SAFETY (EHS)

Environment

Environmental preservation has been critical to your company and it has assigned the highest level of priority across the units. To accomplish this sustainability goal, we are leaning more towards Renewable Energy, improving the Co-Processing of Hazardous Waste, Reusing/Recycling 100% of Non-Hazardous waste, Managing Water resources responsibly, and expanding Green belts around our facilities. We have adopted the best standards of responsible manufacturing across our supply chain.

Health & Safety

Health, safety, and well-being of our employees and associates are a crucial material topic for us. We are committed towards instilling a healthy lifestyle, a safe working environment. Our EHS framework and management practices assure compliance while prioritizing product and process safety and safeguarding all employees. Each manufacturing facility has departmental and Plant safety committee. Every month Management review meetings are conducted which comprises top management from Corporate and representatives from all sites including site heads to examine safety performance and streamline operational procedures critical to safety requirements. In addition to the above Lean Daily Management meetings are also conducted daily with Senior leadership team to track the actions for continuous improvement. Health and safety training is provided to both permanent and contractual workers, ensuring that our team understands the significance of safe procedures and guidelines. Risk identification and assessments are undertaken as part of the process before scaling up. Before commencing any chemical process in the manufacturing area, a hazard and operability study (HAZOP) is conducted. Qualitative and Quantitative risk assessments are carried out for establishing effective controls.

Evaluation of Safety performance through EHS Score card on monthly basis. This EHS Score card provides insight to help an organization to understand its safety performance by evaluating on monthly basis based on Key Performance Indicators identified. Inter Unit audits are conducted for gap assessments

and performance improvement. Regular Knowledge sharing session are conducted for sharing best practices among the manufacturing facilities.

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

As a healthcare service provider, the Company is partnering with 'The Access to Medical Foundation,' which is monitoring what the 30 most active firms in antimicrobial R&D and production are doing to combat antibiotic resistance. We participated in The Antimicrobial Resistance Benchmark 2018, 2020 and 2021.

The Company is also a member of the 'AMR Industry Alliance,' which is driving antimicrobial resistance progress via common objectives and commitment to increase access to high-quality antimicrobial products, encourage responsible usage, and reduce environmental concerns. We participated in AMR Industry Alliance Survey report 2020,2021 and 2022.

Membership with Pharmaceutical Supply Chain Initiative (PSCI):

The Pharmaceutical Supply Chain Initiative (PSCI) is a group of pharmaceutical and healthcare companies who share a vision of better social, health, safety and environmental outcomes in the communities. Aurobindo became Associate Member of PSCI in 2022.

Participation in Carbon Disclosure Project (CDP):

CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. CDP holds the largest environmental database in the world, and this year scored nearly 15,000 companies on their climate change, forests and water security disclosures.

Your company participated in the CDP Disclosure 2022 (Performance in Climate Change and Water security) and it has received a CDP score of 'C' for Climate Change and Water Security for exemplary performance as a First-Time responder.

AWARDS AND ACCOLADES

- Significant Achievement in HR Excellence, 13th CII National HR Excellence Award, 2022
- Excellence in Business Partnering, Economic Times Human Capital Awards, 2022
- IKON Talent Acquisition Awards – HR Guru, 2022
- "L&D Excellence" and "Best L&D Team" in 12th Edition Learning and development Summit & Awards 2023 organised by UBS FORUMS PVT LTD
- "23rd National Award for Excellence in Energy Management 2022" at CII Virtual Platform:
- Unit IX received the Excellence Energy Efficient Unit – Consistent in the same category in the last 02 years.

- Unit XIV received Excellence Energy Efficient Unit - Current year and Energy Efficient Unit category in the last year.
- Unit I received Energy Efficient Unit - Consistent in the same category in the last three Years.
- Unit V received Energy Efficient Unit Current Year.
- Unit XI received Energy Efficient Unit Consistent in the same category in the last two Years.
- Unit XIU received Energy Efficient Unit Current Year.

SUBSIDIARIES/JOINT VENTURES

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

The Company has formulated a Policy for determining Material Subsidiaries. The Policy is available on the Company's website and can be accessed at https://www.aurobindo.com/api/uploads/disclosure_under_regulation/Policy-MaterialSubsidiary.pdf

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

Ceased subsidiaries / JVs

During the period under review, the following are the companies that ceased as subsidiaries/JVs:

- Auro PR I LLC (formerly known as Mylan LLC) Merged with Auro PR Inc w.e.f. May 23, 2022.
- Eugia Injectable Inc, is dissolved w.e.f. April 26, 2022
- Auro Steriles LLC, a wholly owned stepdown subsidiary in USA has been cancelled w.e.f. September 30, 2022.

New subsidiaries / JVs

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

- Theranym Biologics Private Limited was incorporated as wholly owned subsidiary of Curateq Biologics Private Limited w.e.f. September 22, 2022.
- PT Aurogen Pharma Indonesia was incorporated as a wholly owned stepdown subsidiary (99% held by Helix Healthcare BV and 1% held by Agile Pharma BV) w.e.f. July 1, 2022
- 51% share capital of GLS Pharma Limited was acquired and it became a subsidiary with effect from August 17, 2022

Name changes of Subsidiaries / JVs

During the period under review, names of the following subsidiary/JVs were changed:

- Acrotech Biopharma LLC name has been changed to Acrotech Biopharma Inc. w.e.f. June 2, 2022
- Auro Cure Private Limited name has been changed to Eugia Steriles Private limited w.e.f. July 26, 2022
- Wytells Pharma Private Limited name has been changed to Eugia SEZ Private Limited w.e.f. September 2, 2022
- Auro Medics Pharma LLC name has been changed to Eugia US LLC w.e.f. August 8, 2022
- Tergene Biotech Private Limited has been converted from private limited company to public limited company w.e.f. October 20, 2022, hence the name changed to Tergene Biotech Limited.
- Auro Pharma India Private Limited name has been changed to Apitoria Pharma Private Limited w.e.f. March 29, 2023.

Ownership changes in Subsidiaries

During the period under review, ownership of the following subsidiaries was changed from one subsidiary to other subsidiary:

- AuroMedics Pharma LLC (now Eugia US LLC) - Ownership changed from Aurobindo Pharma USA Inc to Auro Steriles LLC w.e.f. April 1, 2022. Consequent to cancellation of Auro Steriles LLC on September 30, 2022, ownership of Eugia US LLC changed from Auro Steriles LLC to Eugia Inc w.e.f. October 1, 2022
- Auro Steriles LLC – Ownership changed from Aurobindo Pharma USA Inc to Eugia Inc w.e.f. April 1, 2022
- Eugia US Manufacturing LLC - Ownership changed from Aurobindo Pharma USA Inc to Eugia Inc w.e.f. April 1, 2022

INTEGRATED ANNUAL REPORT

In compliance with the SEBI Circular SEBI/HO/CFD/CMD/CIR/P/2017/10 dated February 6, 2017 and based on the International Integrated Reporting Framework, the Company Voluntarily adopted the Integrated Annual Report for the financial year 2022-23, which encompasses both financial and non-financial information to Members of the Company to view insight into the organization's strategy, governance framework, stakeholder relationship and future outlook and performance and prospects of value creation based on the six forms of capitals viz. financial capital, manufactured capital, intellectual capital, human capital, social capital, relationship capital and natural capital.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements have been prepared by the Company in accordance with the Indian Accounting Standards (Ind AS) 110 and 111 as specified in the Companies (Indian Accounting Standards) Rules, 2015 and as per the provisions of Companies Act, 2013. The Company has placed separately, the audited accounts of its subsidiaries on its website <https://www.aurobindo.com/investors/disclosures-under-regulation-46/>

Board's Report Contd.

[financials-subidiaries](#) in compliance with the provisions of Section 136 of the Companies Act, 2013. Audited financial statements of the Company's subsidiaries will be provided to the Members, on request.

CODE FOR PREVENTION OF INSIDER TRADING

The Company adopted a Code of Conduct to regulate, monitor and report trading in securities of the Company by the designated persons and their immediate relatives pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code of practices and procedures for fair disclosure of unpublished price sensitive information and has been made available on the Company's website at <https://www.aurobindo.com/api/uploads/Code-Fair-Disclosure-PIT-Feb2019.pdf>. Company has implemented System Driven Disclosures for monitoring dealings in the securities of the Company by the promoters, directors and designated persons and also structured digital database to keep record of the persons with whom the unpublished price sensitive information of the Company has been shared with.

VIGIL MECHANISM

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

A mechanism has been established for employees and other stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct and Ethics, and leak of price-sensitive information under the Company's Code of Conduct formulated for regulating, monitoring, and reporting by Insiders under SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. It also provides for adequate safeguards against the victimisation of employees who avail of the mechanism and allows direct access to the Chairperson of the Audit Committee and also Managing Director of the Company in exceptional cases. During the year, no complaints were reported under the Whistle Blower Policy. The Whistle Blower Policy is available on the Company's website <https://www.aurobindo.com/investors/disclosures-under-regulation-46/vigil-mechanism-whistle-blower-policy>

PREVENTION AND PROHIBITION OF SEXUAL HARASSMENT

Your Company has a policy and framework for employees to report sexual harassment cases at the workplace and the said process ensures complete anonymity and confidentiality of information. Your Company has constituted an Internal Complaints Committee in compliance with the Sexual

Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Company has a policy on prevention and prohibition of sexual harassment at the workplace. The policy provides for protection against sexual harassment of women at the workplace and for the prevention and redressal of such complaints. During the year, the Company has not received any complaint. The Company has been conducting regular awareness programmes aimed at prevention of sexual harassment.

MEETINGS OF THE BOARD

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

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONAL

Key Managerial Personnel

Mr. K. Nithyananda Reddy, Vice Chairman & Managing Director, Dr. M. Sivakumaran, Whole-time Director, Mr. M. Madan Mohan Reddy, Whole-time Director, Mr. Santhanam Subramanian, Chief Financial Officer, and Mr. B. Adi Reddy, Company Secretary are Key Managerial Personnel of the Company in accordance with the provisions of Section(s) 2(51), and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. In view of temporary inability to perform executive functions of the Company by Mr. P. Sarath Chandra Reddy, he has been relieved from his executive responsibilities with effect from November 12, 2022. However, he continues to remain as director on the Board of the Company.

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

Appointments/Reappointments

During the year, the Members approved the reappointment of Mr. Girish Paman Vanvari (DIN: 07376482) as an Independent Director for second term of five years from November 5, 2022 to November 4, 2027 and approved the appointment of Mr. Santanu Mukherjee (DIN: 07716452) as an Independent

Director for a period of two years from February 9, 2023 to February 8, 2025. In the opinion of the Board, both Mr. Girish Paman Vanvari and Mr. Santanu Mukherjee are the persons of integrity, fulfil requisite conditions as per applicable laws and are independent of the management and promoters of the Company.

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

DECLARATION FROM INDEPENDENT DIRECTORS

The Independent Directors have submitted the declaration as to the compliance with the Company's Code of Conduct and the declaration of independence stating that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 as well as clause (b) of sub-regulation (1) of Regulation 16 of the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and confirmed that they have registered their names in the Independent Directors' Data bank. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of

any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

BOARD DIVERSITY

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

BOARD EVALUATION

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

The Annual Performance Evaluation was conducted for all Board Members, for the Board and its Committees for FY23. This evaluation was led by the Nomination and Remuneration/ Compensation Committee of the Company. The Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013 and the Listing Regulations and in accordance with the Guidance Note on Board Evaluation issued by SEBI in January 2017. The Board evaluation was conducted through questionnaires designed with qualitative parameters and feedback based on ratings.

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

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters are adopted as per the provisions of the Companies Act, 2013. The remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company. The Nomination and Remuneration Policy

Board's Report Contd.

as adopted by the Board is available on the Company's website: <https://www.aurobindo.com/api/uploads/NRC-Policy-AUROBINDO-09022023.pdf>

TRANSFER TO RESERVES

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

LOANS, GUARANTEES AND INVESTMENTS

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

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business. All Related Party transactions are mentioned in the Notes to the Financial Statements. The Company has developed a framework through Standard Operating Procedures for the purpose of identification and monitoring of such Related Party Transactions. A statement giving details of all Related Party Transactions are placed before the Audit Committee and the Board for review and approval. The policy on Related Party Transactions, as approved by the Board of Directors, has been uploaded on the website of the Company <https://www.aurobindo.com/investors/disclosures-under-regulation-46/policy-on-rpt>

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

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

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

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

ANNUAL RETURN

The Annual Return of the Company as on March 31, 2023 is available on the Company's website and can be accessed at: <https://www.aurobindo.com/investors/disclosures-under-regulation-46/annual-returns>

RISK MANAGEMENT COMMITTEE

Risk Management Committee of the Company consists of the following Directors viz., Mr. Girish Paman Vanvari, Mr. P. Sarath Chandra Reddy and Mr. K. Rangunathan as on March 31, 2023.

The Risk Management Committee was re-constituted on April 1, 2023 with the following Directors viz., Mr. Girish Paman Vanvari, Mr. Santanu Mukherjee and Mrs. Savita Mahajan as members. Mr. Girish Paman Vanvari is the Chairman of the Committee.

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

AUDITORS & AUDITORS' REPORT

Pursuant to Section 139 (2) of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, the Company at its 35th Annual General Meeting (AGM) held on August 2, 2022, had appointed M/s. Deloitte Haskins & Sells, Chartered Accountants as Statutory Auditors for a period of 5 years i.e. up to the conclusion of the 40th AGM to be held in the year 2027. Further, as per the Companies (Amendment) Act, 2017 effective from May 7, 2018, the provisions relating to ratification of the appointment of Statutory Auditors at every AGM are not required to be followed. The Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company. The Statutory Auditors' report forms part of the Annual Report. The notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. There are no specifications, reservations, adverse remarks on disclosure by the statutory auditors in their report. They have not reported any incident of fraud to the Audit Committee of the Company during the year under review.

INTERNAL AUDITORS

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

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

COST AUDIT

As per Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a Cost Accountant. The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of EVS & Associates, a firm of Cost Accountants in Practice (Registration No. 000175) as the Cost Auditors of the Company to conduct cost audit for relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014 for the year ending on March 31, 2024 at a remuneration of ₹ 650,000/- plus reimbursement of out-of-pocket expenses at actuals and applicable taxes. As per the provision of the Act, the remuneration payable to the Cost Auditor for audit of cost records, subject to ratification by the Members in the forthcoming AGM. The Cost Auditor, EVS & Associates have, under Section 139(1) of the Companies Act, 2013 and the Rules framed thereunder, furnished a certificate of their eligibility and consent for appointment.

INTERNAL FINANCIAL CONTROLS

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

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

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

The IFC framework at Aurobindo ensures the following:

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

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

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. A. Mohan Rami Reddy, a Company Secretary in Practice, to undertake the secretarial audit of the Company for the financial year 2022-23. The Secretarial Audit Report issued in form MR-3 is in **Annexure-4** of this Report.

As per regulation 24A(1) of SEBI Listing Regulations, your Company is required to annex a secretarial audit report of its material unlisted subsidiary incorporated in India to its Annual Report. Accordingly, the Secretarial Audit Report for the Financial Year 2022-23 of APL Healthcare Limited, a material subsidiary incorporated in India, is annexed along with **Annexure-4** of this report.

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

CORPORATE SOCIAL RESPONSIBILITY

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

Board's Report Contd.

The Board, on the recommendation of the CSR Committee, adopted a CSR Policy. The same is available on the Company's website at <https://www.aurobindo.com/api/uploads/CSR-policy.pdf>. The CSR objectives are designed to serve societal, local and national goals in the locations that we operate in, to create a significant and sustained impact on local communities.

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

The details of CSR projects approved by the Board for the financial year 2022-23 are available on the Company's website at <https://www.aurobindo.com/sustainability/annual-action-plan>. The Annual Report on Corporate Social Responsibility as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure-5** to this Report.

PARTICULARS OF EMPLOYEES

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

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

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

INSURANCE

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

MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments in the business operations of the Company from the financial year ended March 31, 2023 to the date of signing of the Board's Report other than the transfer of certain Units of the Company viz. Unit 1, Unit 5, Unit 8, Unit 9, Unit 11, Unit 14, Unit 17 and R&D Unit 2, to the Company's wholly owned subsidiary Apitoria Pharma Private Limited for an aggregate consideration of ₹ 38,097.9 million subject to necessary adjustments as prescribed in the business transfer agreements and on a cash free basis.

CORPORATE GOVERNANCE

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

DEPOSITS

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

INDUSTRIAL RELATIONS

Industrial relations at all units of the Company have been harmonious and cordial. The employees are motivated and have shown initiative in improving the Company's overall performance during the year.

TRANSFER OF UNPAID AND UNCLAIMED AMOUNT TO IEPF

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

Accordingly, the dividends that remain unclaimed for seven years and also the corresponding shares have been transferred to

IEPF account on due dates. The details of amount of unclaimed unpaid dividend and corresponding shares transferred to IEPF during the financial year 2022-23 have been provided in the AGM Notice.

Further, in accordance with the IEPF Rules, the Board of Directors have appointed Mr. B. Adi Reddy, Company Secretary as Nodal Officer of the Company for the purpose of verification of claims of shareholders pertaining to shares transferred to IEPF and / or refund of dividend from IEPF Authority and for coordination with IEPF Authority. The details of the Nodal Officer are available on the website of the Company at <https://www.aurobindo.com/api/uploads/unpaiddividendaccountdetails/Nodal-Officer-IEPF.pdf>

SHARE CAPITAL

During the financial year under review, there has been no change in the Authorised, Subscribed and Paid-up Share Capital of the Company. The paid-up share capital of the Company as on March 31, 2023 was ₹ 585,938,609 divided into 585,938,609 equity shares of ₹ 1 each. The Company has not issued any shares, debentures, bonds or convertible / non-convertible securities during the financial year under review.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

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

SIGNIFICANT/ MATERIAL ORDERS PASSED BY COURTS/ REGULATORS/TRIBUNALS

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

SECRETARIAL STANDARDS

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

OTHER DISCLOSURES

Acquisitions / Disinvestment / merger / demerger

Acquisition of 51% equity stake in GLS Pharma Limited

The Board of Directors of the Company at its meeting held on June 17, 2022, approved the acquisition of 51% equity shares in GLS Pharma Limited, operating in oncology business and having manufacturing facility in Hyderabad for a cash consideration of ₹ 280.5 millions. GLS Pharma Limited is engaged in the business of Oncology products which include orals and injectables used in chemotherapy for solid malignancies, chemotherapy for hematological malignancies and chemo supportive products. GLS Pharma Limited was incorporated on September 1, 2014

and initiated manufacturing in the year 2015. It had a total sales of ₹ 258 millions during the financial year 2021-22 and ₹ 273 millions during the financial year 2022-23.

Acquisition of business operations of Veritaz Healthcare Limited

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

Merger Scheme

The Board of directors at its meeting held on August 12, 2021 had approved Scheme of Amalgamation providing for the amalgamation of two of its wholly owned subsidiaries viz., Auronext Pharma Private Limited and Mviyes Pharma Ventures Private Limited with the Company subject to the requisite statutory / regulatory approvals including the approval of the National Company Law Tribunal (Hyderabad Bench). Since there were other restructuring proposals in discussion, this amalgamation was put on hold and the Board of Directors at its meeting held on April 1, 2023 has decided to proceed with the aforesaid Scheme of Amalgamation.

CREDIT RATING

The Company has obtained the Credit ratings from India Ratings & Research Private Limited and it has assigned ND AA+/Stable/IND A1+ on Rating Watch Evolving for Company's fund based working capital facilities and ND A1+ on Rating Watch Evolving for Company's non-fund-based working capital limits vide their letter dated October 20, 2022.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Date: May 27, 2023
Place: Hyderabad

K. Ragunathan
Chairman
DIN: 00523576

Management Discussion and Analysis

Economic perspective

GLOBAL ECONOMY

In early 2023, the global economy showed positive signs of stabilisation, despite increased financial market volatility, which posed a risk of market repricing. Central banks responded promptly by tightening policies to curb inflation, resulting in strong liquidity and capital positions for banks. The global economy is gradually rebounding from disruptions in supply chains, energy, and food supply caused by the Russia-Ukraine conflict. The success of monetary policies implemented by central banks worldwide is a positive indicator. Nonetheless, there are some uncertainties in the economic outlook due to unexpected shocks.

According to the World Bank's projections, by the end of 2024, GDP levels in emerging and developing economies will be roughly 6% below the levels expected before the COVID-19 pandemic. Although global inflation is expected to moderate, it will remain above pre-pandemic levels. This situation presents an opportunity to promote sustainable growth and invest in people to help these economies achieve long-term growth and development.

Global growth forecast (%)

Particulars	Actual	Projections	
	2022	2023	2024
World output	3.4	2.8	3.0
Advanced economies	2.7	1.3	1.4
US	2.1	1.6	1.1
Eurozone	3.5	0.8	1.4
Japan	1.1	1.3	1.0
UK	4.0	-0.3	1.0
Other advanced economies	2.6	1.8	2.2
Emerging market and developing economies	4.0	3.9	4.2
China	3.0	5.2	4.5
India	6.8	5.9	6.3
Emerging Market and Middle-Income Economies	3.9	3.9	4.0
Low-Income Developing Countries	5.0	4.7	5.4

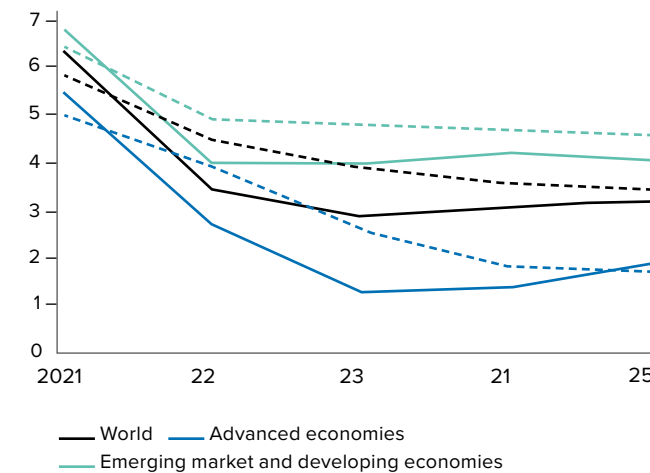
Outlook

The global economy's baseline scenario indicates a slight decrease in output growth from 3.4% in 2022 to 2.8% in 2023, followed by a rise to 3% in 2024. Although these estimates are lower than expected due to adverse shocks in early 2022, there are still signs of positive growth.

According to the IMF, advanced economies are expected to experience a decrease in growth by half, slowing down to 1.3% in 2023 before increasing to 1.4% in 2024. Almost 90% of these economies are projected to experience a decline in growth in 2023. Conversely, emerging markets and developing economies are predicted to experience more robust growth than advanced economies, with a projected growth rate of 3.9% in 2023 and 4.2% in 2024. However, these estimates may vary across regions. Low-income developing countries are expected to grow by an average of 5.1% over 2023-24, indicating an optimistic outlook.

Figure 1.13. Growth Outlook: Feeble and Uneven

(Percent; dashed lines are from January 2022 WEO)



Source: IMF staff calculations.

Note: The figure shows the projected evolution of real GDP growth for the indicated economy groups. WEO = World Economic Outlook

However, the IMF cautions that the growth in per capita income of low-income developing countries may be lower than that of middle-income economies, which could impede progress towards achieving equal living standards among all countries.



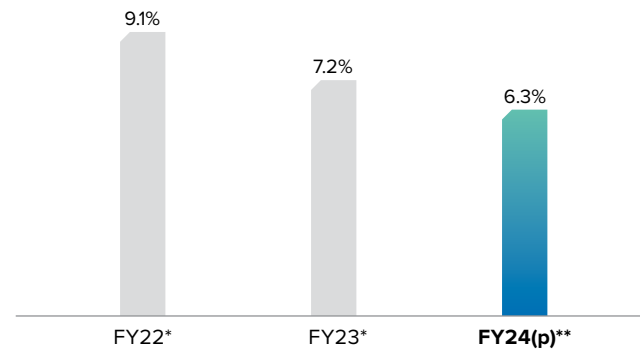
INDIAN ECONOMY

As per the World Bank's latest India Development Report, India remains one of the fastest growing major economies in the world, despite challenging global environment. As per the National Statistical Office (NSO), the country's real GDP growth during FY23 is estimated at 7.2%, as compared to 9.1% in FY22.

The recent economic growth in India can be attributed to the resurgence of private consumption, which has replaced export stimulus as the primary driver of growth. With near-universal vaccination coverage, consumer sentiment has improved, resulting in a surge in spending on contact-based services such as restaurants, hotels, shopping malls, and cinemas. Production activity and capacity utilisation growth have been observed across various sectors.

Management Discussion and Analysis Contd.

Moreover, the Indian government's significant increase in capital expenditure has played a crucial role in driving the economy forward. In the first eight months of FY23, the capital expenditure of the central government increased by 63.4%. The strengthening of corporate balance sheets and increased credit financing has further contributed to a sustained increase in private Capex, positively impacting the economy.



(Source – *PIB/NSO, ** world bank)

Outlook

India's economy has received a boost from various factors, such as the presence of a young and tech-savvy population and a strong emphasis on innovation. Despite facing headwinds from global geopolitical events, the economy is anticipated to grow 6.3% for the current fiscal year FY24, as per the World Bank. The government has taken steps to improve healthcare access, with initiatives like the Ayushman Bharat programme, which aims to provide free healthcare insurance coverage to more than 500 million people, and the National Health Stack, which aims to create a unified digital healthcare system across India. These measures are expected to fuel the economy's growth and contribute to better health outcomes for the population.

6.3%

Anticipated growth in Indian economy in FY24

* Countries with per capita GDP <\$30,000 in 2021 and forecasted 5-year aggregate pharma sales growth >\$1Bn (absolute or rounded) in at least two forecasts

Industry insight

GLOBAL PHARMACEUTICAL INDUSTRY¹

The pharmaceutical industry has exhibited remarkable agility in responding to the COVID-19 pandemic by developing highly effective vaccines and treatments at unprecedented speed. However, despite a temporary slowdown in global medicine use in 2022, the industry is expected to return to pre-pandemic growth rates by 2024.

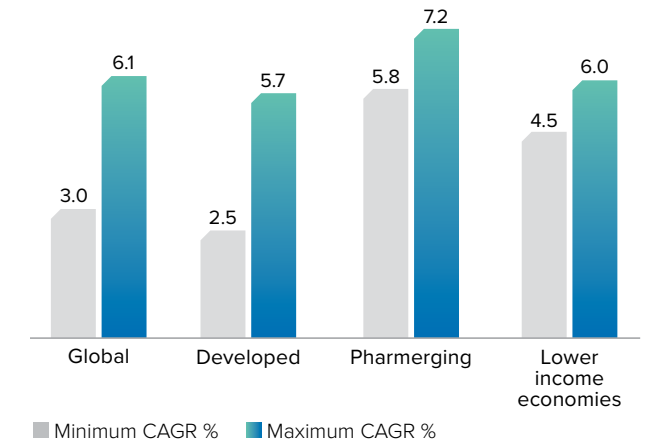
The industry's future growth is subject to various factors, such as viral variants, vaccine distribution, and economic and geopolitical uncertainties. Over the next five years, the US market is expected to grow at -1 to 2% CAGR on a net price basis due to the Inflation Reduction Act's conservative outlook, while Europe is expected to focus on generics and biosimilars, leading to increased pressure on the pricing of novel medicines. The Asia-Pacific region is predicted to experience steady growth following the pandemic, but China's growth will likely slow down due to pricing pressures.



Meanwhile, the pharmerging* markets' spending have experienced significant growth, reaching US\$370.8 billion in 2022 and growing at a CAGR of 7.2% between 2018 and 2022. Expanding healthcare access in most countries and increased spending on new medicines will propel growth in these markets. However, the off-patent branded medicines and low pricing of generic medicines may impact growth.

According to IQVIA, the pharmerging markets are expected to grow 5-8% in spending through 2027. On the other hand, lower-income countries are expected to experience a CAGR of 4.5-7.5% in spending growth, with projected spending of US\$29-33 billion by 2027, up from US\$23.2 billion in 2022, the same report said.

Projected growth of world pharmaceutical market by regional groups over the period 2023 to 2027



(Source: IQVIA global use of medicines report 2023)

Global pharmaceutical market growth

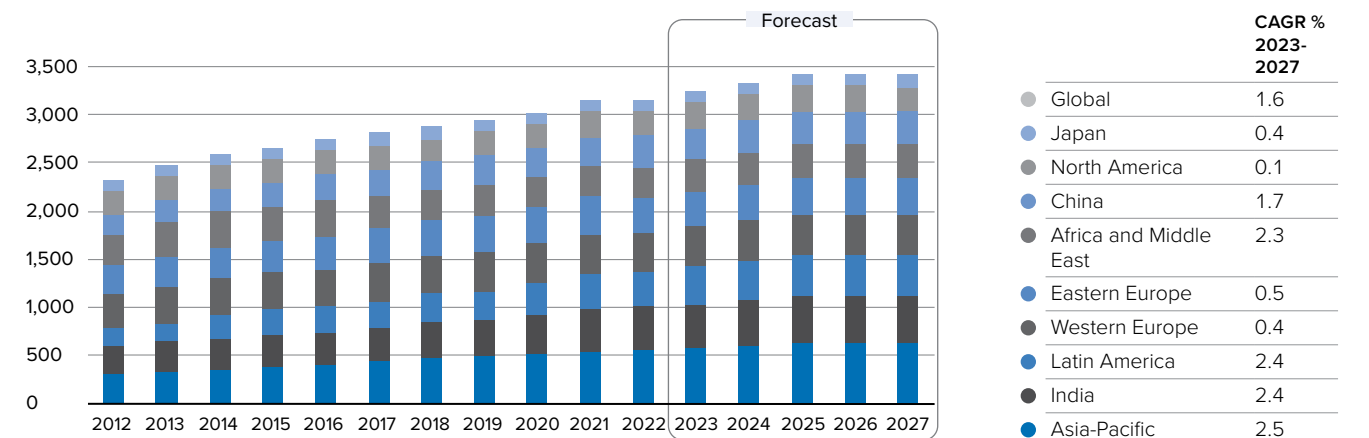
	2022	2018-2022 CAGR	2027	2017-2023 CAGR
Developed markets	1,088	5.7%	1,370-1,400	2.5-5.5%
Pharmerging markets	371	7.2%	487-518	5-8%
Lower income countries	23	6.0%	29-33	4.5-7.5%
Global	1,482	6.1%	1,900-1,930	3-6%

KEY INDUSTRY TRENDS

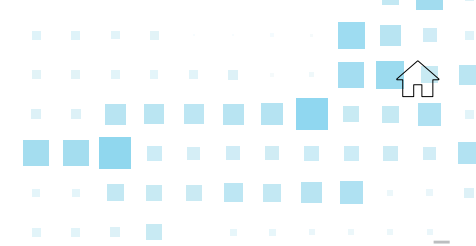
Global pharmaceutical industry growth

(Defined Daily Doses(DDD) in billions)

Historical and projected use of medicine by region, 2012–2027, Defined Daily Doses (DDD) in billions



Source: IQVIA Market Prognosis, September 2022; IQVIA Institute, December 2022.



Management Discussion and Analysis Contd.

COVID-19 pandemic response

The COVID-19 pandemic has brought to light the crucial role of the pharmaceutical industry in addressing global health crises. The industry has responded rapidly to the pandemic by creating highly effective vaccines and therapeutics. However, future growth may be impacted by factors such as viral variants, vaccine distribution, and economic and geopolitical uncertainties.

Shift in global spending

While the United States remains the world's largest pharmaceutical market, pharmerging markets like China, India, and Brazil are expected to experience the highest growth in spending. Developed markets are expected to grow at a slower rate due to pricing pressures and patent expiries, while emerging markets are anticipated to grow strongly due to the adoption of novel medicines and increased volume.

Focus on precision medicine

Precision medicine, which involves tailoring medical treatment to an individual's specific genetic makeup and medical history, is gaining momentum. IQVIA predicts that precision medicine will be a major area of growth in the pharmaceutical industry, with an increasing number of personalised therapies being developed and approved.

Biosimilars

Biosimilars have garnered substantial attention in the global pharmaceutical arena owing to their growing importance in the treatment of various diseases. According to Mordor Intelligence, the worldwide biosimilars market is estimated to be worth US\$30 billion in 2023, which is expected to reach US\$70 billion by 2028, with a CAGR of 18.3% over 2023-2028. The increased demand for biosimilars can be attributed to several factors such as escalating healthcare expenses, the expiration of patents for biologic drugs, and growing pressure to curb healthcare expenditure. This market is expected to be propelled by a growing number of biosimilar product launches in major developed and emerging markets, alongside greater adoption of biosimilars by healthcare professionals and patients alike.

Generics

In the upcoming years, the generic drug market is anticipated to witness significant expansion. According to IQVIA Global Use of Medicines Report 2023, the global market for generic drugs (including non-original brands and unbranded generics) was valued at US\$395 billion in 2022 and is predicted to grow at a CAGR of 5.5%, reaching approximately US\$515 billion by 2027. The growth of this market can be attributed to various factors, including the expiration of patents of numerous branded drugs, surging demand for cost-effective medications, and increasing prevalence of chronic illnesses. Additionally, the market is expected to be propelled by the escalating number of mergers and acquisitions, partnerships, and collaborations among pharmaceutical companies, as well as the rising focus on research and development activities.

Speciality medicines

Specialty medicines are gaining popularity in higher-income countries, especially for chronic, complex, and rare diseases, and are expected to represent 43% of global spending by 2027, with developed markets accounting for more than half of the spending. However, pharmerging countries have not been able to keep up due to high costs, resulting in specialty medicine to account for 16% of the spending in 2022, a figure that is projected to remain the same till 2027. Although specialty medicines treat only a small proportion of patients, the increased spending on them is expected to lead to cost savings for traditional therapies, which will benefit a larger patient population.

Continued innovation

Innovation remains a key driver of growth in the pharmaceutical industry. Despite the impact of COVID-19, innovation of novel medicines will remain a major factor fuelling the growth of the medicine industry, offset by the loss of exclusivity and the lower costs of generics and biosimilars.

Digital health

The integration of digital technology in healthcare is another significant trend in the pharmaceutical industry. The report suggests that digital health solutions, such as telemedicine and digital therapeutics, are becoming more prevalent and are expected to play an increasingly important role in healthcare delivery. As per Research and Markets, the global digital health market is projected to grow from US\$227.5 billion in 2022 to US\$872.2 billion by 2025, with a CAGR of 16.1%. Telemedicine saw significant growth during the pandemic, with the global telemedicine market expected to reach US\$285.7 billion by 2027, up from US\$87.2 billion in 2022, as per Markets and Markets.

Focus on sustainability and social responsibility

The pharmaceutical industry is increasingly being held accountable for its environmental impact and social responsibility. In 2020, the global sustainable investing market reached US\$1.7 trillion, with environmental, social, and governance (ESG) factors becoming a key consideration for investors. In response, pharmaceutical companies are implementing sustainability strategies and initiatives, such as reducing carbon emissions and investing in social programmes.

KEY GROWTH DRIVERS

Increasing demand for healthcare services: With an ageing population and rising chronic diseases, the demand for healthcare services is increasing globally. This has led to an increase in demand for medicines, particularly in emerging markets. The global pharmaceutical market is expected to grow by 3-6% annually from 2023 to 2027. This growth is primarily attributed to increasing healthcare spending, expanding access to healthcare services, and rising demand for innovative medicines in emerging markets.

Innovation and new product development: The development of innovative medicines is driving growth in the pharmaceutical industry. Advances in biotechnology and genomics are enabling the development of new therapies for previously untreatable diseases. As per IQVIA's 2023 report, R&D funding from the large pharmaceutical sector remained high, with a record US\$138 billion invested in R&D by the 15 largest pharmaceutical companies in 2022.

Expanding access to healthcare: Efforts to expand access to healthcare, particularly in emerging markets, are driving demand for medicines. This includes government initiatives to provide universal health coverage and the expansion of private health insurance. The development of biosimilars and generics provides patients with more affordable and accessible treatment options, leading to the expansion of the global pharmaceutical market. IQVIA estimates incremental savings from biosimilars are expected to be a cumulative US\$383 billion globally from 2023 to 2027.

Increasing use of digital technology: The use of digital technology in healthcare is increasing, with the development of digital therapeutics and the use of artificial intelligence (AI) in drug discovery and development.

Evolving healthcare systems and policies: Changes in healthcare systems and policies are affecting the pharmaceutical industry. These changes include a shift towards value-based healthcare and the introduction of policies to regulate drug pricing and reimbursement, which are expected to impact pharmaceutical company profits.

Growing investment in healthcare: Increasing investment in healthcare, particularly in emerging markets, is driving growth in the pharmaceutical industry. This includes investment in healthcare infrastructure, research and development, and partnerships between pharmaceutical companies and healthcare providers. As per IQVIA's 2023 report, global spending on biotech drugs is expected to reach US\$666 billion by 2027, about 35% of global medicine spending.

18.3%

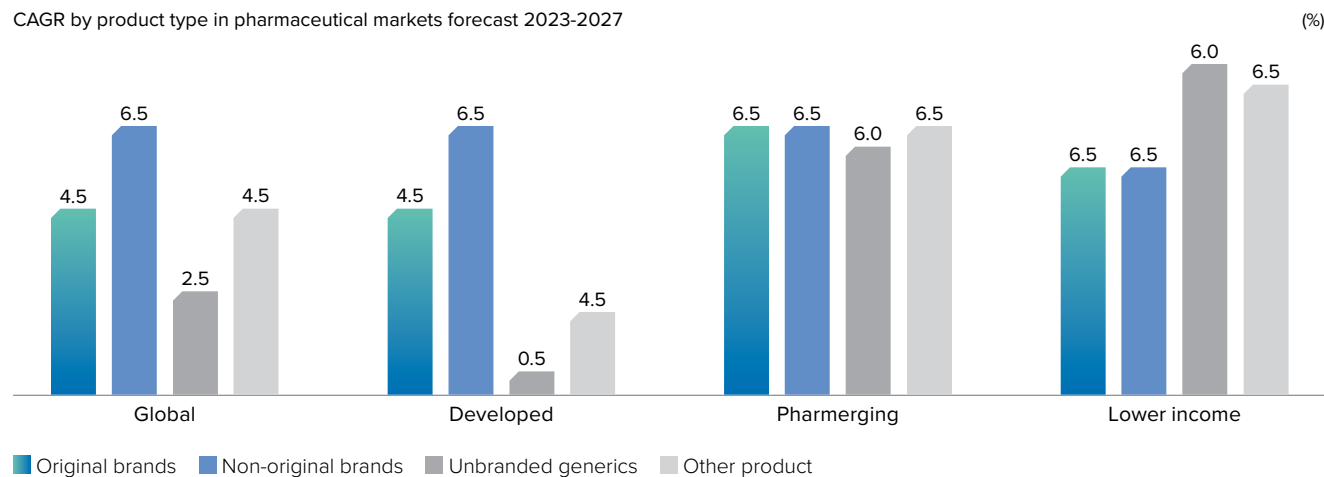
Global biosimilar market CAGR between 2023-2028

5.5%

Global generic drug market CAGR between 2022-2027

Projected pharmaceutical spending CAGR worldwide between 2023 and 2027, by market and product type

CAGR by product type in pharmaceutical markets forecast 2023-2027



(Source: IQVIA global use of medicines report 2023)

16.1%

Global digital health market CAGR over 2022-2025



Management Discussion and Analysis Contd.

Key global markets

Developed markets

Developed markets continue to be a key driver of the global pharmaceutical industry. In these markets, spending growth remains steady, with new products offsetting patent expiries. The United States, the largest developed market, is expected to grow at a much slower pace of 0.5% CAGR on a net price basis over 2023-27, compared to 4% CAGR in the last five years. Spending in Europe is expected to increase by US\$59 billion through 2022-2027, with a focus on generics and biosimilars and escalating pressures on the value and negotiated prices of novel medicines.

USA

The future of pharmaceutical spending in the United States is a story of contrasts, with both growth and moderation on the horizon. According to the IQVIA report of 2023, spending on medicines is still projected to increase by a substantial US\$134 billion over 2022-2027 to US\$763 billion, primarily driven by using existing branded products. New brand launches and price increases will fuel this surge. However, the report cautions that this growth will be tempered by several factors, such as increased competition from generics and biosimilars, as well as the growing prevalence of value-based contracting and other cost containment measures, including the provisions of Inflation Reduction Act (IRA).

The COVID-19 pandemic has also played a significant role in shaping the pharmaceutical landscape. The market is expected to see the launch of about 250 new active substances over the next five years, which could result in over US\$110 billion in new brand spending over the period. However, the losses of exclusivity, especially in small molecule and biologics areas, could lead to a drop in spending by US\$141 billion over the next five years.

US pharmaceutical spending and growth (US\$ billion)

2018-2022 CAGR	2022	2023-2027 CAGR	2027
4%	629	-1 to 2%	763

EUROPE

As per IQVIA's 2023 report, Pharmaceutical spending in top 5 European markets (EU5 - France, Germany, Italy, Spain, and UK) is projected to grow moderately, with a CAGR of 5.2% over 2022-2027. The growth is anticipated to be fuelled by new brand launches, particularly in oncology and rare diseases, as well as increased adoption of biosimilars and generics. Despite this, the report highlights that growth is expected to be moderated by loss of exclusivity, pricing pressures, and other cost containment measures.

EU5 pharmaceutical spending and growth (US\$ billion)

2017-2022 CAGR	2022	2022-2027 CAGR	2027
6.2%	204	5.2%	263

Pharmerging markets

The pharmerging markets are expected to witness a growth rate of 5-8% between 2023-2027, primarily due to the high demand for generic and branded generic drugs. These markets have demonstrated resilience despite the COVID-19 pandemic, with less impact on demand and disruptions. The pharmerging markets have a higher inclination towards generics and non-original branded products, which are generally priced lower than originator products.

The growth is attributed to the rising middle class and the shift towards universal healthcare coverage in these economies. The healthcare infrastructure investment and increased demand for innovative therapies will also contribute to growth. Brazil and Mexico lead the growth in Latin America, with an expected growth rate of 9-12% and 7.5-10.5%, respectively. Colombia is viewed as a stabilising force in the region, while Russia is projected to grow at a CAGR of 6-9% by 2027 in Eastern Europe.

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

Region	2022	2018-2022 CAGR	2027	2023-2027 CAGR
Pharmerging Markets	370.8	7.2%	487-518	5-8%

INDIA¹

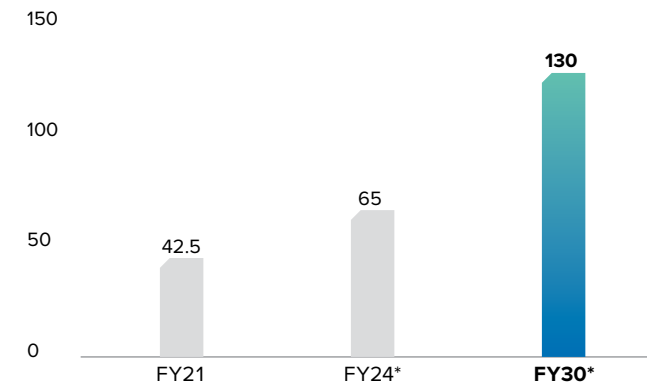
The Indian pharmaceutical industry has become a thriving sector, producing a range of medications and vaccines at affordable prices. Known for its expertise in generic drugs, biosimilars, and biologics, the industry has grown at a CAGR of 9.43% over the past nine years, making it the third-largest pharmaceutical producer by volume. The market is comprised of segments such as contract research and manufacturing, bulk drugs, and over-the-counter medications. The Pharma sector currently contributes to around 1.72% of the country's GDP.

India has a significant presence in the global API market, with 500 Indian API producers accounting for around 8% of the market. India is also a major player in the global exports of generic drugs, meeting around 20% of the demand. The country has the largest number of pharmaceutical manufacturing facilities that comply with USFDA standards outside the US.

The Indian pharmaceutical market is predicted to reach US\$65 billion by 2024 and US\$130 billion by 2030, with Indian pharma companies having a significant share in the US and EU prescription market. The government is committed to improving healthcare, with an estimated expenditure of over 2% of the country's GDP on healthcare in FY22. The government is also aiming to increase the penetration of health insurance, which is likely to boost the industry's growth further.

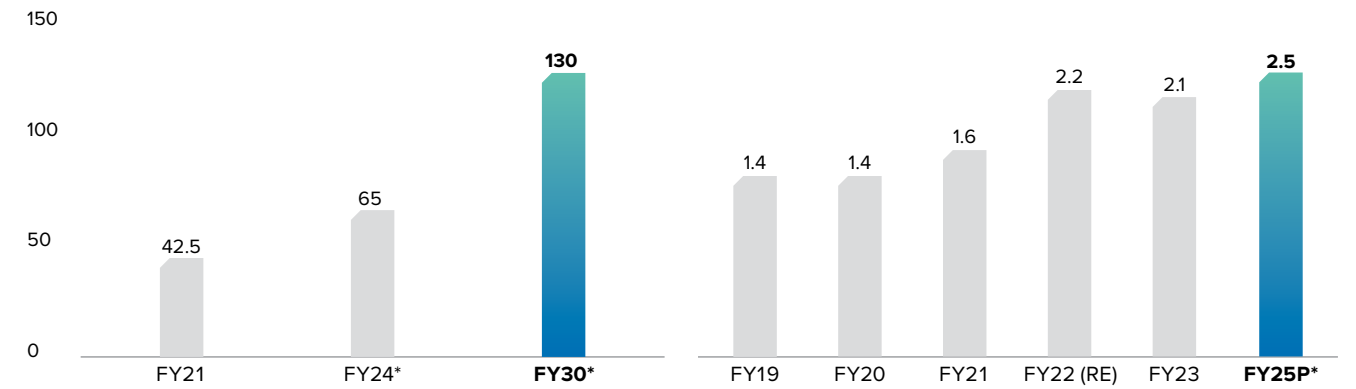
¹ <https://www.ibef.org/industry/pharmaceutical-india>

India pharmaceutical market (US\$ billion)



Source: India Brand Equity Foundation (IBEF)

Government spending on healthcare as percentage of GDP for FY19-FY23 and FY25 estimate (% of GDP)



Source: PIB/ Ministry of Finance (GoI)

RE - Revised estimate BE - Budget estimate

* As per National Health Policy, 2017

The production-linked incentive (PLI) scheme, a part of the Government's Atmanirbhar Bharat program, is a significant step towards boosting India's manufacturing sector and achieving self-reliance. In 2021, Government approved ₹15,000 crore PLI scheme for the pharma sector. Recently, a similar scheme has been extended to promote the production of medical devices and to strengthen the medical devices industry into a competitive, self-reliant, resilient, and innovative industry that caters to the healthcare needs of not only India but also the world. The vision is to turn India into a global leader in the manufacturing and innovation of medical devices by achieving a 10-12% share in the expanding global market over the next 25 years. It is expected to help the Medical Devices Sector grow from the present US\$11 billion to US\$50 billion by 2030.

Growth drivers

Cost efficiency

India's pharmaceutical industry has gained global recognition for its cost-effective and high-quality medicines. It has become a major player in the global pharmaceutical market and is referred to as the "Pharmacy of the World." One of the greatest success stories in mine is access to affordable HIV treatment from India.

Policy

The Ministry of Chemicals and Fertilizers launched the "Strengthening of Pharmaceutical Industry (SPI)" scheme with a total financial outlay of ₹500 crore (US\$61 million) to improve the productivity, quality, and sustainability of existing pharma clusters and MSMEs across the country.

The Government has set a target to increase the number of Pradhan Mantri Bhartiya Janaushadhi Kendras (PMBJKs) to 10,500 by the end of March 2025. PMBJKs offer affordable medicines to people across the country. The product basket of PMBJKs comprises 1,451 drugs and 240 surgical instruments.

Increasing investment

India's pharmaceutical industry is attracting significant foreign direct investment (FDI). Up to 100% FDI has been allowed through automatic routes for Greenfield pharmaceutical projects. For Brownfield pharmaceutical projects, FDI is allowed up to 74% through automatic route and beyond that through government approval. (Source: IBEF)

Management Discussion and Analysis Contd.

About Aurobindo Pharma

Aurobindo Pharma Limited is a leading global pharmaceutical company based in Hyderabad, India, specialising in manufacturing both generic formulations and active pharmaceutical ingredients (API), with a strong focus on developing complex and difficult-to-manufacture pharmaceutical products for the global markets.

The Company has 25 manufacturing and packaging facilities for its API and formulation business, and has the required approval from global regulatory authorities, such as USFDA, EDQM, UK MHRA, Japan PMDA, WHO, Health Canada, etc. Its robust product portfolio covers major therapeutic areas, such as anti-retroviral, CVS, CNS, gastroenterological, anti-allergies, antibiotics, and anti-diabetics, and is marketed in over 150 countries. It employs over 23,000+ employees, with a dedicated R&D team of over 1500+ scientists and analysts working in nine

research facilities spread across the globe. The company's R&D focus is on developing niche oral, sterile, specialty injectable products, biosimilars, and peptide-based products, involving clinical and end-point studies.

APL's vision is to develop complicated molecules, differentiated offerings, broad spectrum products, and newer technologies to improve health outcomes globally.

In today's rapidly changing economic landscape, APL is focused on strengthening its core capabilities while adjusting its strategic priorities. It continues to create value by expanding our manufacturing capabilities and entering new, high-potential markets. Through innovation and the development of new products, we are determined to further enhance our global standing.

₹24,855 CRORES

Revenue

▲ 6% 5-year CAGR

₹3,758 CRORES

EBITDA

150+

Countries market reach

9

Research facilities

25

Manufacturing and packaging facilities

23,000+

Global employee base

1,500+

Scientists & analysts

774

ANDAs filed with USFDA

276

DMFs filed with the USFDA

1,971

API dossiers filed in Europe

3,751

Formulation dossiers filed in Europe

All figures are as on 31 March '23.

Snapshot

SEGMENT REVENUE*

Amount (₹ Cr)	FY23	FY22	% y-o-y growth	FY23% of total sales
Formulations				
USA	11,654	11,122	4.8%	46.9%
Europe	6,426	6,480	-0.8%	25.9%
Growth Markets	1,973	1,504	31.2%	7.9%
ARV	954	833	14.6%	3.8%
Total formulations	21,007	19,939	5.4%	84.5%
Active pharmaceutical ingredients (API)				
Betalactam	2,448	2,083	17.6%	9.8%
Non Betalactam	1,400	1,433	-2.3%	5.6%
Total API	3,848	3,516	9.5%	15.5%
Revenue from operations	24,855	23,455	6.0%	

*Except ARV, other reported segments within formulation are further classified based on geographies of the customers

ACHIEVEMENTS OF FY23

- Recorded revenues at ₹248,554 million, EBITDA at ₹37,582 million, with EBITDA margin at 15.1%
- Filed 49 ANDAs with USFDA, of which 10 are injectables.
- Received final approval for 59 ANDAs from USFDA of which 16 are injectables.
- Launched 34 products in USA, including 17 injectable products.
- Filed two biosimilars with MHRA and one biosimilar with Health Canada.
- Continued to advance Phase 3 clinical trials of two oncology and one ophthalmic biosimilar products, including completion of the treatment phase of the biosimilar to Herceptin.
- 15 Valent Pneumococcal Conjugate Vaccine, developed by Tergene Biotech (joint venture - 80% owned by APL) completed successful 3+0 trial in 1,130 pediatric subjects. The vaccine received recommendation from Subjects Expert Committee, that operates under the aegis of CDSCO, for grant of permission to Tergene to manufacture and market the vaccine with three dose schedule in pediatric age group of 6, 10 and 14 weeks.

- Made significant progress in setting up Pen-G facility at Kakinada, Andhra Pradesh. The project was awarded to the company under the PLI scheme of the government of India.
- Completed construction of the China plant and exhibit batches for eighteen products were taken for regulatory filings. Also received four more import drug approvals in China in FY23, in addition to two received in FY22.
- Completed the integration of the acquired domestic formulation business of Veritaz Healthcare.

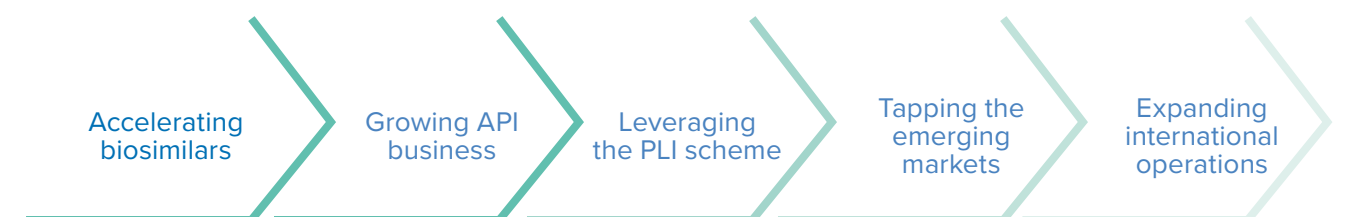
FORMULATION BUSINESS PERFORMANCE

Formulations business posted a revenue of ₹210,074 million in FY23, thereby contributing to 84.5% of the total revenues. From a geographical standpoint, the US and Europe accounted for 73% of total revenue. During the year, the Company manufactured approximately 41 billion units of various dosage forms, such as tablets, capsules, injectables, etc., in its 15 state-of-the-art manufacturing and packaging facilities, which are located in India, Portugal, Brazil and Puerto Rico.

Formulations business revenue trend (in ₹ million)

FY19	FY20	FY21	FY22	FY23
161,570	200,119	216,860	199,393	210,074

Creating a road map for the future



Management Discussion and Analysis Contd.

▲ 6.8% 5-year CAGR

US formulations

The US formulation business revenue grew by 5% y-o-y to ₹116,544 million in FY23. The Company held its top position in terms of prescription volume share in the US as per IQVIA March Quarter 2023 data. It has presence across generic orals, injectables, OTC and branded oncology segments. During the year, the company launched 34 products within the US formulations segment, including 17 injectable products.

US Formulations business revenue trend (in ₹ million)

FY19	FY20	FY21	FY22	FY23
90,307	114,835	123,245	111,221	116,544

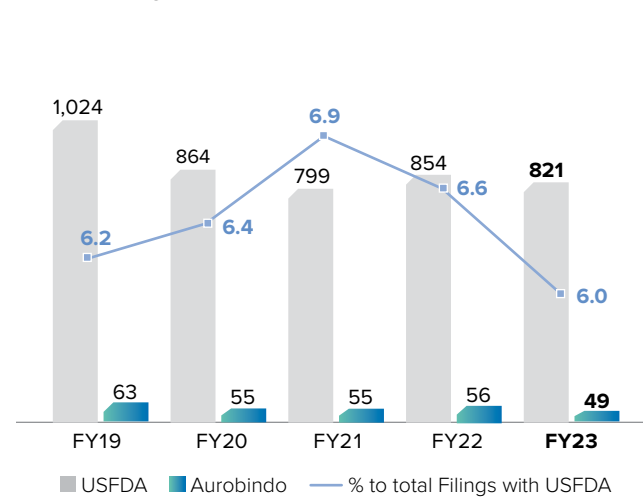
▲ 6.6% 5-year CAGR

Revenue mix of the US formulations segment (%)

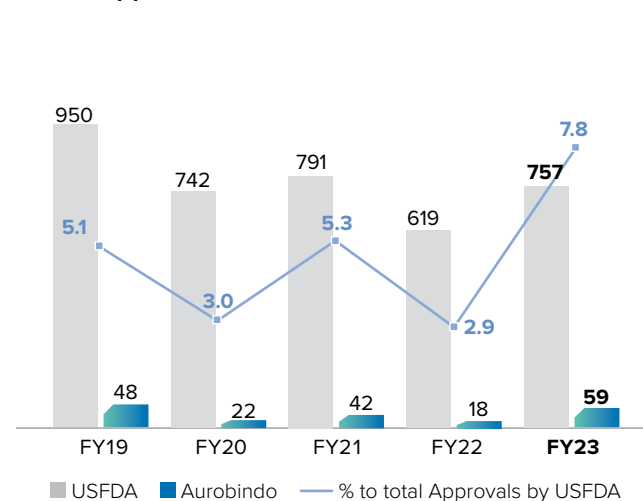
US formulation segment	% share in US formulation sales (FY23)
Orals	68%
Generic Injectables	17%
Branded injectables	8%
OTC	7%



ANDA Filings



ANDA Approvals



Orals

Oral segment sales within the US Formulations business grew by 2% y-o-y to ₹79,439 million in FY23. The growth was due to new product launches and positive forex impact, offset by price erosion in some product categories. As of 31 March 2023, the company has 410 Oral product ANDAs with final approval, while 132 ANDAs are awaiting approval.

Generic injectables

Generic injectables sales within the US formulations business grew by 4% y-o-y to ₹20,351 million in FY23. The growth was due to new product launches, higher volume and positive forex impact, offset by price erosion in some products. As of 31 March 2023, the company has 126 injectable product ANDAs with final approval while 44 ANDAs are awaiting approval.

Branded oncology injectables

The US branded oncology business consisting of seven brands marketed by Acrotech Biopharma, witnessed 11% y-o-y growth in revenue to ₹8,766 million in FY23. The company entered into a licensing deal with Evive to commercialise Ryzneuta™ (Efbemalenograstim alfa) in the US. The product is currently under late-stage review by the US FDA for Chemotherapy-Induced Neutropenia. It also initiated two phase-III studies for the topical product MM36, licensed from Otsuka, for the treatment of atopic dermatitis.

Over-the-counter drugs (OTC)

OTC sales within the US Formulations business grew by 29% y-o-y to ₹7,989 million in FY23. The growth was driven by new launches, higher volume, and positive forex.

Europe formulations

APL has a presence in ten countries in Europe/UK with full-fledged Pharmacy, Hospital, and Tender sales infrastructure. It ranks amongst the top 10 Generic companies in 8 countries, including four of Top-5 EU countries. France and Netherlands are the top two markets for the company in Europe. In FY23, Europe formulation segment revenue declined by around 1% y-o-y to ₹64,256 million. The decline was due to negative forex impact, offset partially by higher volumes. Despite a relatively muted market in Europe, the company's sales in the local currency grew at 5.8% CAGR over the last five years. As part of efforts to improve profitability of the Europe business, now around 57% of volume sold in Europe is sourced from the company's manufacturing plants in India.

EU formulations revenue trend (in ₹ million)

FY19	FY20	FY21	FY22	FY23
49,602	59,218	60,608	64,803	64,256

▲ 6.7% 5-year CAGR

Growth markets formulations

Growth market sales in FY23 grew by 31% y-o-y to ₹19,729 million. The segment contributed to 7.9% of the total revenue of the company during the year. Within the segment, the key markets in FY23 were Canada, Domestic market (India), Mexico, South Africa, and Brazil. Domestic formulation sales stood at ₹2,268 million during the year.

Growth markets formulations revenue trend (in ₹ million)

FY19	FY20	FY21	FY22	FY23
11,937	13,551	14,379	15,039	19,729

▲ 13.4% 5-year CAGR

ARV formulations

ARV formulation segment sales grew by 15% y-o-y to ₹9,544 million in FY23. This was led by higher volumes and positive forex impact, offset partially by lower pricing. During the year, the company won bids to supply in both the Global fund and PEPFAR allocation. In the Global fund, APL has been selected as strategic supply partner for three years duration from January 2023 to December 2025. In PEPFAR, it has been selected under both Lot-1 and Lot-2 allocation.

ARV formulations revenue trend (in ₹ million)

FY19	FY20	FY21	FY22	FY23
9,725	12,515	18,628	8,330	9,544

API BUSINESS PERFORMANCE

The API segment of the company, which is a key pillar for the company's vertically integrated business model, witnessed 9.5% y-o-y growth in revenue during FY23 to ₹38,478 million, thereby accounting for 15.5% of the total revenue. APL has a presence in both Beta Lactum and non-Beta Lactum APIs, with the former contributing to 64% of the total API sales. The company aims to be a competitive supplier of APIs meeting stringent quality requirements. It employs strict cost control and efficiency measures in R&D, supply chain and manufacturing operations.

Last year the company embarked on its project to set up a Penicillin-G manufacturing facility of 15,000 tonnes per annum capacity as part of the PLI scheme of the government of India. The project installation progressed as per plan during the year and is expected to complete in FY24.

API revenue trend (in ₹ million)

FY19	FY20	FY21	FY22	FY23
34,030	30,834	30,859	35,156	38,478

FINANCIAL REVIEW: CONSOLIDATED

Key ratios

Particulars	As on March 31, 2023	As on March 31, 2022
Debtors' turnover	5.9	6.2
Inventory turnover	3.1	2.8
Interest coverage ratio	20.0	73.6
Current ratio	1.9	2.2
Debt equity ratio	-0.05	-0.1
Operating profit margin (EBITDA Margin %)	15.1%	18.7%
Net profit margin (%)	7.8%	11.3%
Return on net worth (%)	7.5%	11.4%

Management Discussion and Analysis Contd.

MANUFACTURING REVIEW

APL's manufacturing footprint includes 25 commercialised manufacturing units for formulations and APIs, spread across India (22), Portugal (1), Brazil (1) and Puerto Rico (1). Several leading regulatory agencies such as US FDA, UK MHRA, EU, Japan PMDA, WHO, and Health Canada have approved the facilities. The integrated nature of business enables seamless production schedules, with on-time availability of raw materials and finished products, ensuring timely response to market

opportunities. During the year, six units received EIRs from US FDA, including two EIRs for pre-approval GMP audits.

The company also has seven manufacturing facilities under the commissioning stage, including three in the US and one in China. With these units getting commercialised, APL will have operational manufacturing capabilities in complex generic products, including injectables, inhalers, topical and transdermal products, biosimilars, and vaccines.

SCOT ANALYSIS

Strengths	Challenges	Opportunities	Threats
<ul style="list-style-type: none"> Vertically integrated manufacturing Presence in multiple therapeutic areas Global footprint Strong R&D capability Skilled workforce Capability of delivering high-quality, low-cost generics Dominant API player Strong distribution network 	<ul style="list-style-type: none"> Competitors with similar offerings and business structures High mobility of workforce within the industry Pricing pressures for generics, price erosions for new launches and older molecules Regulatory challenges in existing/new markets 	<ul style="list-style-type: none"> Rise in demand for lifestyle products and geriatric care Global response to pandemic/s Capacity expansion and building diverse capabilities. Successful execution in new business areas like biologics, vaccines, dermatology, transdermal patches, and respiratory medicines Expansion into new growth markets including domestic formulation business Achieving a global scale of operations Control over raw material sourcing 	<ul style="list-style-type: none"> Intense competition from established players and new entrants Increasing focus on value-based healthcare and drug pricing regulations Disruptions in supply chain and raw material sourcing due to geopolitical and economic factors Evolving customer preferences and changing market dynamics.

WORKFORCE

APL attributes its success and continued growth to its dedicated, skilled, and proficient workforce, who serve as its representatives to the outside world. Therefore, the employees are the organisation's most valuable assets and significant stakeholders. APL provides a secure and safe working environment that promotes equal opportunity and flexibility and enables its staff through various training and development initiatives in all business areas. The company fosters human potential and ensures that its people-centric workplace remains viable amid evolving market conditions, thanks to efficient leadership and continual knowledge enhancement.

The Company focuses on unlocking human potential across the organisation by:

- Leveraging technology, processes, and performance measurements to build capabilities
- Conducting leadership initiatives and programmes in partnership with top business schools and organisations to develop its workforce

- Promoting a collaborative environment by integrating its global workforce through projects and other tools
- Encouraging a dynamic and positive work culture by recognising people for their productivity, innovation, and excellence
- Prioritising the growth and well-being of its people
- Realigning its strategies to adapt to the changing work environment and continue to prioritise its people

SUSTAINABILITY AT AUROBINDO

APL firmly embraces the significance of sustainability and its crucial role in shaping a better future. Our dedication to environmental stewardship is evident in our adoption of sustainable practices across all operations. We have achieved significant milestones in various areas, such as sustainable packaging and energy generation. By embracing sustainable packaging techniques, we have successfully reduced waste and promoted responsible resource management. Moreover, our investment in solar power has resulted in the consumption of 43,000 MWh of solar energy, contributing to cleaner energy

sources and a decreased environmental impact. To address water pollution and antimicrobial resistance, we have proactively implemented wastewater treatment measures at our manufacturing facilities, thereby highlighting our commitment to responsible resource management and a healthier environment.

Some of our notable accomplishments that underscore our commitments are:

- 17% reduction in carbon foot print from baseline year FY20
- 29% reuse of treated wastewater out of total wastewater generated
- about 12% utilisation of renewable energy (power - power)
- 100% reuse/ recycle of non-hazardous waste

As we expand our manufacturing scale and strengthen our market presence, we understand that sustainable growth necessitates a focus on nurturing and empowering our talented workforce. We recognise the importance of providing opportunities for employee development and cultivating a culture of inclusivity and diversity. This approach ensures a skilled, engaged team that drives innovation and operational excellence. Our commitment to talent development not only strengthens our organisation but also enhances the well-being of our employees and the communities in which we operate. By combining sustainable manufacturing practices with a focus on talent, we are confident in expanding

our market presence while upholding our commitment to sustainability and long-term success.

A RESPONSIBLE ORGANISATION

We firmly believe in creating a healthier ecosystem and driving positive change through a holistic approach encompassing robust governance, transparency, and efficient information flow. To ensure the integration of sustainability into our operations, we have implemented a three-tier sustainability governance model emphasising accountability and continual improvement.

Through our Corporate Social Responsibility (CSR) initiatives, we actively target marginalised groups, enhance patient health, and tackle pressing social challenges. Our focus areas include diversity and inclusion, water conservation, responsible supply chain practices, carbon emissions reduction, and social accountability. By adhering to these principles, we strive to foster community well-being and contribute to building a sustainable future. In FY23, we spent ₹763 million on CSR activities.

Our CSR initiatives encompass a wide range of areas, including education, healthcare, sanitation, rural water systems, nutrition, sustainable agriculture, women's empowerment, rural development, and environmental sustainability. These efforts have positively impacted the lives of 7.38 lakh individuals.



Risk Management

OVERVIEW

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

RISK GOVERNANCE STRUCTURE

Risk Management Committee of the company consists of the following members viz. Mr. Raghunathan, Mr. Sarath Chandra Reddy and Mr. Girish Paman Vanvari who is the chairman of the committee. The Board had re-constituted Risk Management Committee w.e.f. 1st April, 2023 which consists of Mr. Santanu Mukherjee, Mrs. Savita Mahajan as new members and Mr. Girish Paman Vanvari continued as the chairman of the committee. The company has established a separate department to monitor the enterprise risk and for its management. The committee had formulated a risk management policy for dealing with different kinds of risk which the company faces in its actual operations. The risk management procedure is reviewed by the Audit Committee and Board of Directors on a regular basis along with quarterly financial results of the Company.



Risk Management framework highlights following risk categories of the company.

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

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

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

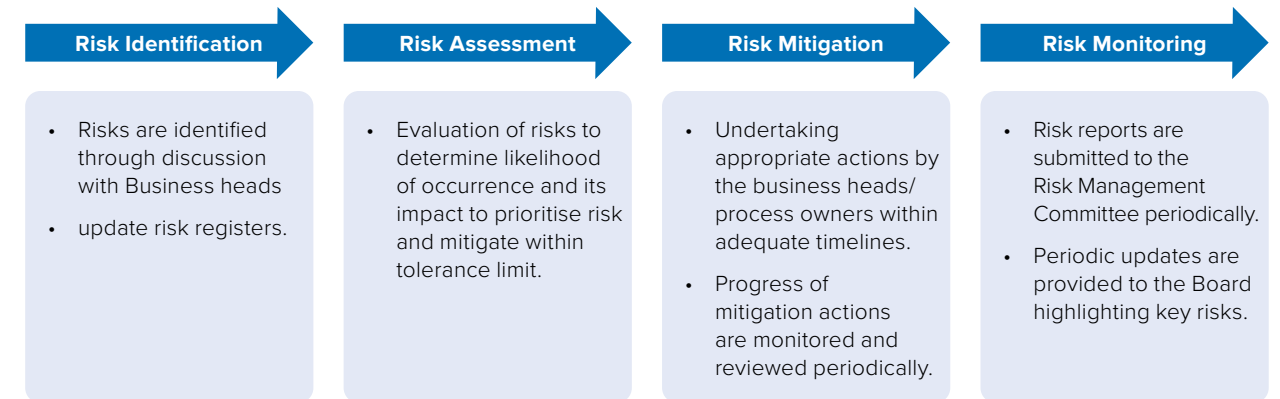
Compliance risks: These risks are pertaining to regulatory and statutory compliances can impact the company's reputation and can hamper business operations. Ownership of these risks would be with the respective functional heads.

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

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

RISK MANAGEMENT PROCESS

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



KEY BUSINESS RISKS AT AUROBINDO

Aurobindo, being a generic drug company like other pharmaceutical companies having a business presence in the domestic and international markets including USA, Europe and other markets covering over 150+ countries and having 25 manufacturing and packaging facilities worldwide, is also exposed to some significant risks of Global Recession, which could have an adverse impact on operations and revenues namely Supply Chain, Logistics, Production, Demand and Supply, Customer delivery, Sales volumes and Cash flow as discussed above.

SUPPLY CHAIN DISRUPTION RISKS

There is a significant risk to Aurobindo in procuring raw-material from China and other markets, including the domestic market. The Company continues to have a high dependence on the China market for import of Key Starting Materials (KSMs), Intermediates and Active Pharmaceutical Ingredients.

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

Mitigation strategy

The Company has already taken initiatives to mitigate the risk arising out of procuring materials from a single sourcing. Company is working to procure material from domestic sources, and it has already started qualifying Indian sources. The Government of India also has come forward with policies to encourage and support the domestic manufacturers to start manufacturing some of the raw materials domestically. It has come out with Production Linked Incentive schemes (PLI) for some of the Key Starting Materials (KSM) and raw materials. SCM team managed the supply disruptions effectively by maintaining adequate stock and developing effective rolling plans considering production requirement. In case of price increase, company is striving to pass on the cost to the extent possible.

ECONOMIC AND GEOPOLITICAL RISKS

Economic and political instability arising from changes in foreign policies & political leadership in countries where Aurobindo has significant presence such as USA, Europe, and emerging markets (EM) could adversely affect the Company's operations in those markets. The regulatory landscape of the global pharmaceutical industry is complex and dynamic, which could be significantly influenced by the external macro environment such as the political, economic, social, and technological factors (PEST). Also, the recent inflation issue had lead to world wide market in to recession threat specially USA.

Risk Management Contd.

Aurobindo has business operations predominately in USA, Europe, and Growth Markets. The existing Growth Markets include South Africa, Brazil, Canada, and Africa. The Company has presence in the Anti-retroviral segment where it sells ARVs to over 125 countries by participating in global tenders floated by international organizations such as Global Fund, USAID/PEPFAR and country-specific Ministry of Health (MOH). The Company has 25 manufacturing facilities across the globe (22 in India, 1 each in Brazil, Puerto Rico and Portugal) and 9 R&D facilities.

USA is the largest market for the company with around 45-50% of the revenue generated in FY23. Europe is the second largest market after USA accounting for approx. 20-25% of revenues in FY23 and remaining revenue from other markets.

Mitigation strategy

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

In some countries like Africa, the Middle East and Russian countries, PEST influence is high, which might lead to business risk to the Company. Government authorities are encouraging local manufacturers, restricting imports, and levying conditions to buy medicines only through government tenders. As part of its de-risking strategy, the Company is aggressively participating in Government tenders and appointing approved distributors.

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

COMPETITION RISKS

Company's major revenue comes from US and Europe. The US generic market is one of the most dynamic markets in the world due to competition among generic drug makers. Risk of tough competition from other pharmaceutical companies in the generic drugs sector could impair the company's

competitive advantages and lead to erosion of market share and revenues. Therefore, understanding the competition becomes imperative for the Company, especially during the drug development process.

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

Mitigation strategy

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

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

PRICING RISKS

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

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

Mitigation strategy

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

Being backward-integrated enables the Company to manufacture high quality and cost-effective products by redefining the production process and leveraging its R&D capabilities. The SCM team is continuously striving to strategically negotiate for the raw materials to minimise their price impact and ensure timely services to key customers in all key markets. The Company can deal with price pressures by increasing volumes, improving efficiencies, optimising costs, and strengthening the supply chain.

MARKET RISKS

US market is the dominant market globally for the Company with around 45-50% of the revenue coming from the US. This poses a concentration and dependence risk on a single geography for the Company if it fails to maintain efficient operations in that market which could adversely affect the Company's business, operations, and financial condition. Europe is another major market for the Company where it is exposed to market risk if it is unable to maintain a sufficient portfolio of products and manage their development and bring the products to market promptly, which could ultimately affect the business and growth strategy.

Mitigation strategy

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

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

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

REGULATORY, STATUTORY AND LEGAL COMPLIANCE RISKS

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

Mitigation strategy

Aurobindo is committed to supplying the highest quality medicines to customers for promoting healthier lives. Hence, the Company strives to conform to regulatory and compliance standards to meet stringent requirements of regulators to ensure that our medicines provide best health care for the consumers. Robust quality systems & control measures are in place to ensure that the quality is ensured by process design.

Risk Management Contd.

Company has leveraged industry expertise by engaging an US-based consulting firm to establish, train and constantly monitor Quality Culture Excellence. An organization-wide training has been kickstarted and is currently ongoing at all levels. A powerful multi-dimensional monitoring tool to measure Quality Culture Maturity has been developed and shall be used to quantify and improve, where required, the progress of implementation of the Quality Culture Excellence initiative.

The Company has a robust “Statutory compliance system/ solution” (Vision 360 Tool) for ensuring compliance with all applicable laws and updated on periodically. Quarterly compliance declarations generated electronically from the system are submitted to the compliance officer.

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

ENVIRONMENT, HEALTH AND SAFETY (EHS) RISKS

Aurobindo requires certain statutory and regulatory permits and approvals to operate the business, including environmental clearances. Any failure to obtain, renew or maintain the required permits or approvals may result in the interruption of operations and may have a material adverse effect on the Company’s operations.

Government authorities have been focusing on environmental issues and making environmental laws stringent for the industry to follow. As the regulations are becoming tougher, it is a challenge for the Company to ensure adherence.

Mitigation strategy

The company is extremely sensitive about these challenges, and proactively strives to adhere to notifications and circulars issued by the Government. Over the years, EHS excellence has been promoted as an essential element of ensuring human health and safety and is embedded in our corporate policies.

Necessary EHS related statutory permits are in place for Aurobindo’s manufacturing facilities and applications for renewal of approvals are being submitted on time. Company is committed to provide a safe and healthy working environment to all its employees and contract workers. A hazard and operability study (HAZOP) is performed before a chemical process is taken up in the manufacturing area. Automation & Interlock systems to reduce Human intervention in critical operation, Potential health hazards assessment by process studies & workplace monitoring by implementation of Industrial Hygiene program, and regular Training is provided to operating personnel on precautions to be taken, and suitable personal protective equipment is provided.

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

Aurobindo has leaped forward and adopted Sustainability / Environment Social Governance (ESG) framework with a commitment to build a healthier ecosystem. Aurobindo had released its first sustainability report in FY21 and Second sustainability report in FY22 which demonstrates our commitment to build a sustainable and inclusive organisation that creates long term value for stakeholders.

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

The energy efficiency projects include upgradation of the technology to minimise consumption, Energy optimisation initiatives in existing equipment operations and savings achieved through change in equipment operation. In addition to the energy efficiency initiatives, we strive to replace non-renewable energy in our operations. In FY23, we have generated more than 43,000 MWh electricity from our solar power plant situated near Pydibhimavaram, Vizag.

To address global warming concerns, we have taken up massive plantation drives in and around our manufacturing facilities to increase the green belt and offset emissions caused by our operations. Also, various energy saving measures have been implemented at each operating facility and these initiatives helped us save approximately 2,316,079 GJ of energy including direct and indirect energy consumption savings and resulted in avoiding greenhouse gas emissions of about 235,312 tCO₂e. We also use biomass in some of our facilities which further helps us in reducing energy consumption from non-renewable fuels. In FY23, we generated 131,177 GJ of energy from biomass in our operations, which amounts to approximately 2% of our total energy consumption.

PATENT PROTECTION RISKS

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

Mitigation strategy

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

The IPR team evaluates and provides stage-wise IP clearances during product/process developmental activities. The IPR team also provides frequent updates and alerts on all relevant IP matters (such as patent, trademark, etc.) to R&D scientists for the products and suggests suitable measures to deal with IP-related issues. The IP team is also involved in product selection activity to ensure that right products are selected for development and no potential opportunity is missed out to the best possible extent.

As on 31 March 2023, the Company had filed 812 patent applications, of which 178 patents had been granted and 102 patent applications are pending for prosecution with various authorities globally. Company ensures that the employees, vendors, and suppliers associated directly or indirectly sign appropriate confidentiality agreements prior to disclosure of any such confidential information.

FINANCIAL RISKS

Since the Company operates internationally, majority of the export transactions and borrowings are carried out in multiple currencies and a portion of import transactions are carried out in more than one currency, business is exposed to foreign currency risk, interest rate risk, liquidity risk and credit risk which may adversely impact the fair value of its financial instruments.

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

resulting in a loss to the Company. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks.

Mitigation strategy

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

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

The Company monitors liquidity risk using cash flow forecasting models. The Company’s objective is to provide financial resources to meet its obligations when they are due in a timely, cost effective and reliable manner without incurring unacceptable losses or risking damage to the Company’s reputation. The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to undrawn lines of committed and uncommitted borrowing facilities and other debt instruments. Credit risk is controlled by analysing credit limits and creditworthiness of counter parties on a continuous basis with appropriate approval mechanisms for sanction of credit limits.

PEOPLE RISKS

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

Risk Management Contd.

Mitigation strategy

The Company has a committed Human Resources team to acquire, retain and develop talent considering the competition for qualified and experienced people. Aurobindo follows a robust process for identifying talented and candidates who have proven track record. The entire process of Talent identification is named as Auro Utkarsh in Aurobindo. The Line Managers take a proactive role in engaging with the prospective candidate while being transparent about the role and its scope, thus developing a close rapport with the candidate, which in turn creates a mentor – mentee association once the resource joins in the Company.

LEARNING & DEVELOPMENT:

Under this umbrella all out technical trainings are conducted for our employees to learn important aspects like personal hygiene requirements for manufacturing environments to regulatory requirements and how to operate the variety of highly technical machinery in bulk manufacturing and packaging facilities. In addition, they also learn how to operate machinery, the whys behind each phase of the manufacturing process, and how to determine good products from bad ones.

- Leadership Development Program (Auro Astra):** A leadership development program is critical for Aurobindo, as it is an organization that values the growth and development of its employees. The program includes training, coaching, and mentorship on leadership theories, communication skills, decision-making strategies, and other essential competencies.
- Middle Management Development Program (MDP):** Middle Managers are crucial for an organization because they act as a bridge between business strategy and execution. Middle management development is an essential aspect of leadership development in any organization.
- Supervisory Development Program (SDP):** A Supervisory Development Program is a structured training and development initiative designed to equip current and aspiring supervisors with the knowledge, skills, and tools they need to effectively lead and manage teams.

SUCCESSION PLANNING:

Aurobindo believes Succession planning is the process of identifying and developing employees who have the potential to fill key leadership positions within an organization.

- To ensure business continuity: By identifying and developing potential successors in advance like retirement, resignation, death etc.
- To build a talent pipeline that is capable of taking on increasingly complex roles and responsibilities.

REWARDS & RECOGNITION:

To build a culture of appreciation in the organization and to bring out the best in what our employees do daily, we have designed a unique way of rewarding & recognizing our workforce. Every Quarter in each manufacturing unit, there is a score card based cross functional team reward & recognition practice. We have identified 8 categories of these rewards i.e. Best Safety Practices, Best Document Practices, Best Investigation, Good Manufacturing Practices, Best Process, Best Project, Best KRA Achievement and Best Facility

INFORMATION TECHNOLOGY (IT) AND CYBER SECURITY RISKS

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

Mitigation strategy

Aurobindo is improving its process efficiency, better control, faster decision making and better assurance on compliance by embracing digitalisation across the processes. Company's IT infrastructure, data availability, data storage and processing and cyber security aspects are continuously scaled-up and upgraded to support the growing business need and to enable the Company to stay competitive in the market. Aurobindo continues to ensure compliance with applicable provisions of European Union General Data Protection Regulation (EU GDPR). To ensure GDPR compliances the Company has established policies & procedures which include training employees and investing in adequate technologies to safeguard personal data collected from EU data subjects. The Company has a tie-up with the Enterprise DPO (Data Protection Officer), who closely works with country specific DPO, IT, HR, Legal etc. for ensuring compliance.

The Company has taken steps to harden its IT infra security with systematic backup procedure, storage, Firewall rules, Network segmentation and system access including role-based and remote access through VPN and change management controls. For all critical IT applications and services, the Company has built highly stringent and secured infrastructure. For business continuity, the Company continues to maintain a disaster recovery site, which hosts backup ERP applications. IT team conducts a periodic review of cyber security posture and penetration tests to ensure effectiveness. In addition, the following control measures are taken to mitigate cyber security risk.

Z-Scaler ZIA's Zero Trust Solution which is the most widely used security service edge (SSE) platform in the world is being installed. The most widely used ZTNA platform in the world is ZPA, uses the principles of least privilege to provide users secure, direct connectivity to private apps that are running on-prem or in the public cloud while preventing unauthorized access and lateral movement.

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

Business Responsibility & Sustainability Report

SECTION A GENERAL DISCLOSURES

I – DETAILS OF LISTED ENTITIES

1.	Corporate Identity Number (CIN) of the Listed Entity	L24239TG1986PLC015190
2.	Name of the Listed Entity	Aurobindo Pharma Limited
3.	Year of incorporation	1986
4.	Registered office address	Plot no.2, Maithrivihar, Behind Maithrivanam, Ameerpet, Hyderabad – 500038, Telangana, India
5.	Corporate address	Galaxy, Floor 22-24; Plot No 1, Sy No 83/1, Hyderabad Knowledge City, Raidurg Panmaktha, Hyderabad – 500032, Telangana, India
6.	E-mail	info@aurobindo.com
7.	Telephone	040-66721200
8.	Website	www.aurobindo.com
9.	Financial year for which reporting is being done	Financial year 2022-23 (April 1, 2022 to March 31, 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	₹ 585,938,609
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. B. Adi Reddy Company Secretary and Compliance Officer Phone: +91 40 6672 5333 Email: cs@aurobindo.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosure under BRSR is on consolidated basis, unless otherwise stated.

II – PRODUCTS AND SERVICES

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

Sl. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Chemical and chemical products, pharmaceuticals, medicinal chemical and botanical products	100 %

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

Sl. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Development, Manufacture and Sale of Active Pharma Ingredients and Formulations	21009	100%

III – OPERATIONS

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

Location	Number of plants	Number of offices	Total
National	22	3	25
International	3	52	55

17. Markets served by the entity:

A. Number of locations:

Locations	Number
National (No. of States and Union Territories)	28 states
International (No. of Countries)	151 countries

B. What is the contribution of exports as a percentage of the total turnover of the entity?

71% of total turnover is contributed by the exports of products, which is calculated on standalone basis

C. A brief on types of customers

Generic customers, Major pharma customers, Institutional customers and Health care professionals

IV – EMPLOYEES

18. Details as at the end of Financial Year

A. Employees and workers (including differently abled):

Sl. No.	Particulars	Total	Male		Female	
			No.	%	No.	%
Employees						
1	Permanent	23,451	21,098	90%	2,353	10%
2	Other than Permanent	2	1	50%	1	50%
Total employees		23,453	21,099	90%	2,354	10%
Workers						
1	Permanent	-	-	-	-	-
2	Other than Permanent	9,960	8,347	84%	1,613	16%
Total workers		9,960	8,347	84%	1,613	16%

B. Differently abled Employees and workers:

Sl. No.	Particulars	Total	Male		Female	
			No.	%	No.	%
Employees						
1	Permanent	-	-	-	-	-
2	Other than Permanent	-	-	-	-	-
3	Total employees	-	-	-	-	-
Workers						
4	Permanent	-	-	-	-	-
5	Other than Permanent	-	-	-	-	-
6	Total workers	-	-	-	-	-

Note: Currently, company is not tracking differently abled employees

19. Participation/Inclusion/Representation of women

Particulars	Total	No. and percentage of Females	
		No.	%
Board of Directors	10	2	20%
Key Management Personnel	2	0	-

Business Responsibility & Sustainability Report Contd.

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Particulars	FY 2023			FY 2022			FY 2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	19%	23%	19%	16%	21%	17%	12%	14%	12%
Permanent Workers	-	-	-	-	-	-	-	-	-

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

21. Names of holding / subsidiary / associate companies / joint ventures

Sl. No	Name of the holding /subsidiary / associate companies / joint ventures	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Helix Healthcare B.V.	Subsidiary	100%	No
2	Agile Pharma B.V.	Subsidiary	100%	No
3	Laboratorios Aurobindo S.L.	Subsidiary	100%	No
4	Aurex B.V. (formerly known as Pharmacin B.V.)	Subsidiary	100%	No
5	Milpharm Limited	Subsidiary	100%	No
6	Aurobindo Pharma (Malta) Ltd	Subsidiary	100%	No
7	APL Swift Services (Malta) Ltd	Subsidiary	100%	No
8	Aurobindo Pharma (Romania) s.r.l	Subsidiary	100%	No
9	Pharmacia B.V. (formerly known as Aurex B.V.)	Subsidiary	100%	No
10	Aurovitas Pharma Polska	Subsidiary	100%	No
11	Generis Farmaceutica S.A.	Subsidiary	100%	No
12	Generis Phar, Unipessoal Lda	Subsidiary	100%	No
13	Aurobindo Pharma (Italia) S.r.l	Subsidiary	100%	No
14	Arrow Generiques SAS	Subsidiary	100%	No
15	1980 Puren Pharma GmbH (formerly Actavis Management GmbH), Germany	Subsidiary	100%	No
16	Puren Pharma GmbH & Co., KG (formerly Actavis Deutschland GmbH & Co., KG)	Subsidiary	100%	No
17	Aurovitas Spain SA (formerly Actavis Spain S.A)	Subsidiary	100%	No
18	Aurobindo Pharma B.V. (formerly known as Actavis B.V.)	Subsidiary	100%	No
19	Aurovitas Spol s.r.o (formerly Apotex (CR) Spol s.r.o.)	Subsidiary	100%	No
20	Apotex Europe B.V.	Subsidiary	100%	No
21	Aurovitas Nederland B.V (formerly Apotex Nederland B.V.)	Subsidiary	100%	No
22	Sameko Farma B.V.	Subsidiary	100%	No
23	Leidapharm B.V.	Subsidiary	100%	No
24	Marel B.V.	Subsidiary	100%	No
25	Pharma Dossier B.V.	Subsidiary	100%	No
26	Aurobindo NV/SA	Subsidiary	100%	No
27	CuraTeQ Biologics s.r.o.	Subsidiary	100%	No
28	Eugia Pharma B.V.	Subsidiary	100%	No
29	Eugia Pharma (Malta) Limited	Subsidiary	100%	No
30	Eugia (UK) Limited	Subsidiary	100%	No
31	APL Pharma Thai Limited	Subsidiary	97.9%	No

Sl. No	Name of the holding /subsidiary / associate companies / joint ventures	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
32	Aurobindo Pharma Industria Farmaceutica Ltd	Subsidiary	99.97%	No
33	Aurobindo Pharma Produtos Farmaceuticos Limitada	Subsidiary	100%	No
34	All Pharma (Shanghai) Trading Co Ltd	Subsidiary	100%	No
35	Auro Pharma Inc.	Subsidiary	100%	No
36	Aurobindo Pharma (Pty) Ltd	Subsidiary	100%	No
37	Aurobindo Pharma Japan KK	Subsidiary	100%	No
38	Aurovida Farmaceutica SA DE CV	Subsidiary	100%	No
39	Aurobindo Pharma Colombia S A S	Subsidiary	100%	No
40	Aurogen South Africa (PTY) Ltd	Subsidiary	100%	No
41	Aurobindo Pharma Saudi Arabia Limited Company	Subsidiary	100%	No
42	Aurovitas Pharma (Taizhou) Ltd	Subsidiary	100%	No
43	Aurobindo Pharma FZ-LLC	Subsidiary	100%	No
44	Aurosulud SA De CV	Subsidiary	100%	No
45	Auro PR Inc	Subsidiary	100%	No
46	Eugia Pharma INC, Canada	Subsidiary	100%	No
47	Eugia Pharma (Australia) PTY Limited	Subsidiary	100%	No
48	Eugia Pharma Industria Farmaceutica Limitada	Subsidiary	100%	No
49	Auro PR I LLC (formerly known as Mylan LLC) [Merged with Auro PR Inc w.e.f. May 23, 2022]	Subsidiary	100%	No
50	Aurobindo Pharma Ukraine LLC	Subsidiary	100%	No
51	Eugia Pharma Colombia S.A.S.	Subsidiary	100%	No
52	PT Aurogen Pharma Indonesia (Incorporated w.e.f. July 1, 2022)	Subsidiary	100%	No
53	Auroscience PTY Ltd, Australia	Subsidiary	100%	No
54	Aurobindo Pharma USA Inc.	Subsidiary	100%	No
55	Aurolife Pharma LLC	Subsidiary	100%	No
56	Auro Health LLC	Subsidiary	100%	No
57	Auro AR LLC, USA	Subsidiary	100%	No
58	Auro Vaccines LLC	Subsidiary	100%	No
59	Auro Logistics LLC	Subsidiary	100%	No
60	Acrotech Biopharma Inc. (formerly Acrotech Biopharma LLC) (name changed w.e.f. Jun 2, 2022)	Subsidiary	100%	No
61	Auro Science LLC	Subsidiary	100%	No
62	Auro Packaging LLC	Subsidiary	100%	No
63	Vespyr Brands, Inc (formerly known as Nurya Brands Inc)	Subsidiary	100%	No
64	Eugia Injectable Inc (closed w.e.f. April 26, 2022)	Subsidiary	100%	No
65	Eugia Inc	Subsidiary	100%	No
66	Eugia US LLC (formerly known as Auro Medics Pharma LLC) (Name changed w.e.f. Aug 8, 2022)	Subsidiary	100%	No
67	Auro Steriles LLC (Dissolved w.e.f. September 30, 2022 and notified on November 16, 2022)	Subsidiary	100%	No
68	Eugia US Manufacturing LLC	Subsidiary	100%	No
69	APL Healthcare Limited	Subsidiary	100%	No

Business Responsibility & Sustainability Report Contd.

Sl. No	Name of the holding /subsidiary / associate companies / joint ventures	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
70	Auronext Pharma Private Limited	Subsidiary	100%	No
71	Auro Peptides Ltd	Subsidiary	95%	No
72	Apitoria Pharma Private Limited (formerly known as Auro Pharma India Private Limited, name changed w.e.f. March 29, 2023)	Subsidiary	100%	No
73	Auroactive Pharma Private Limited	Subsidiary	100%	No
74	CuraTeQ Biologics Private Limited	Subsidiary	100%	No
75	Eugia Steriles Private Limited (formerly known as Auro Cure Private Limited, name changed w.e.f. July 26, 2022)	Subsidiary	100%	No
76	AuroZest Private Limited	Subsidiary	100%	No
77	Aurobindo Antibiotics Private Limited	Subsidiary	100%	No
78	Eugia Pharma Specialities Ltd	Subsidiary	100%	No
79	Mviyes Pharma Ventures Private Limited	Subsidiary	100%	No
80	Lyfius Pharma Private Limited	Subsidiary	100%	No
81	Qule Pharma Private Limited	Subsidiary	100%	No
82	Eugia SEZ Private Limited (formerly Wytells Pharma Private Limited) (Name changed w.e.f. September 2, 2022)	Subsidiary	100%	No
83	Auro vaccines Private Limited	Subsidiary	100%	No
84	GLS Pharma Limited (Acquired w.e.f. August 17, 2022)	Subsidiary	51%	No
85	TheraNyM Biologics Private Limited (Incorporated w.e.f. September 22, 2022)	Subsidiary	100%	No
86	Novagen Pharma (Pty) Ltd	Joint Venture	50%	No
87	Purple Bellflower (Pty) Ltd., South Africa	Joint Venture	48%	No
88	Luoxin Aurovitas Pharm (Chengdu) Co. Ltd.	Joint Venture	30%	No
89	Novagen BBBEE Invest Co (Pty) Ltd	Joint Venture	24.5%	No
90	Raidurgam Developers Limited (formerly Aurobindo Antibiotics Ltd)	Joint Venture	40%	No
91	Tergene Biotech Ltd. (Converted into Public Company w.e.f. October 20, 2022)	Joint Venture	80%	No
92	NVNR (Ramannapet I) Power Plant Private Limited	Associate	26%	No
93	NVNR (Ramannapet II) Power Plant Private Limited	Associate	26%	No
94	Aurobindo Pharma Foundation	Subsidiary / Sec 8 Company	100%	No

VI – CSR DETAILS

22	(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
	(ii) Turnover (in ₹)	248,553 Mn
	(iii) Net worth (in ₹)	268,518 Mn

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:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2023			FY 2022		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Communities	Yes	-	-	-	-	-	-
Investors and Shareholders	Yes	7	7	-	13	13	-
Employees and workers	Yes* (I, II, III, IV)	297	-	-	326	-	-
Customers	Yes	282	78	-	379	26	-
Value Chain Partners	Yes* (I, II, V)	-	-	-	-	-	-

*Major policies guiding the responsible business conduct spanning key stakeholders are provided below

I. Policy on Business Ethics and Values (Link: https://www.aurobindo.com/api/uploads/Policy%20on%20Business%20Ethics%20&%20Values_Aurobindo%20Pharma%20Ltd.pdf)

II. Human Rights Policy (Link: https://www.aurobindo.com/pdfs/Human%20Rights%20Policy_Aurobindo%20Pharma%20Ltd.pdf)

III. Prevention of Sexual Harassment Policy (Available on Company Intranet portal)

IV. Whistle Blower Policy (Available on Company Intranet portal)

V. Supplier Code of Conduct (effective from 1st Apr, 2023) (Link: https://www.aurobindo.com/pdfs/Supplier%20Code%20of%20Conduct_Aurobindo%20Pharma%20Ltd.pdf)

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

Material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Promoting renewable energy	Opportunity	<ul style="list-style-type: none"> Reduce dependency on conventional sources of energy Reduction in cost and brand image (carbon-neutral/positive) Increasing energy cost Peers focusing on renewable energy 	-	Positive
2	Integrated water management	Opportunity	<ul style="list-style-type: none"> Reduce dependency on freshwater withdrawal through rainwater harvesting and reduction in cost Brand image (water neutral/positive) Water offset programmes Location-specific water stress Groundwater depletion Dynamic regulatory landscape 	-	Positive

Business Responsibility & Sustainability Report Contd.

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Anti-microbial resistance	Risk	<ul style="list-style-type: none"> Health risk Responsible manufacturing Enhanced brand image Strategic collaboration to combat AMR 	Aiming towards Predicted No-Effect Concentrations (PNECs) targets for antibiotics in wastewater as per AMR Industry Alliance targets	Negative
4	Corporate social responsibility	Opportunity	<ul style="list-style-type: none"> Enhanced brand image Social license to operate Engagement with local communities 	-	Positive
5	Promotion of diversity and inclusiveness	Opportunity	<ul style="list-style-type: none"> Managing attrition rates Enhanced brand image Talent retention 	-	Positive
6	Sustainable supply chain management	Risk	<ul style="list-style-type: none"> Falling behind sector peers Need for increased efficiency and cost reduction Establish traceable and transparent supply chain Supplier assessment program covering ESG aspects 	<ul style="list-style-type: none"> Introduce a Supplier Code of Conduct and ensure partners and suppliers adhere to the policy through engagements and audits Shifting towards low carbon logistics 	Negative
7	Access to healthcare	Opportunity	<ul style="list-style-type: none"> Opportunity to develop a robust pipeline Brand image Efforts to ensure medicine availability for patients in need of medicines for unmet medical needs Brand image 	-	Positive

SECTION B MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Question	P-1	P-2	P-3	P-4	P-5	P-6	P-7	P-8	P-9	
1. A. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)				Yes					Yes	
B. Has the policy been approved by the Board? (Yes/No)				Yes					Yes	
C. Web Link of the Policies, if available	https://www.aurobindo.com/sustainability/social-accountability-standards https://www.aurobindo.com/investors/corporate-governance/governance-policies https://www.aurobindo.com/sustainability/our-commitment https://www.aurobindo.com/api/uploads/Policy%20on%20Business%20Ethics%20&%20Values_Aurobindo%20Pharma%20Ltd.pdf https://www.aurobindo.com/pdfs/Human%20Rights%20Policy_Aurobindo%20Pharma%20Ltd.pdf https://www.aurobindo.com/pdfs/Supplier%20Code%20of%20Conduct_Aurobindo%20Pharma%20Ltd.pdf									
2. Whether the entity has translated the policy into procedures. (Yes / No)				Yes					Yes	
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes. Policy on Business Ethics and Values, Human Rights Policy and Supplier Code of Conduct (effective from 1 st Apr,2023) extend to value chain partners									
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	SA 8000	ISO 14001: 2015	SA 8000	-	SA 8000	ISO 14001: 2015	-	-	ISO 9001: 2015	
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Note 1									
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.										

NOTE 1

Pillar	2025 goals	Progress made so far
Responsible Manufacturing	i. 20% renewable energy share (Power-to-Power)	Achieved 11.85% renewable energy share (Power-to-Power)
	ii. 12.5% reduction in carbon footprint (as per Science Based Targets initiative – well below 2°C scenario)	Achieved 17 % reduction in carbon footprint against target of 12.5% from baseline year FY20
	iii. Towards water neutrality – 35% water conservation/ restoration	Achieved 38% water conservation/ restoration
	iv. 60% co-processing of hazardous waste	Achieved 62%
	v. 100% reuse / recycle of non-hazardous waste	Achieved 100%
Sustainable Sourcing	100% of key starting material suppliers in India of finished dosage forms (drug product) shall be assessed on Supplier Code of Conduct	50% of key starting material suppliers in India of finished dosage forms (drug product) are assessed on Suppliers Code of Conduct in FY23 as compared to 45% in FY22
Social Equity	i. 12.75% women out of total workforce	Achieved 12% gender diversity among workforce in FY23 as compared to 10% in FY22
	ii. 25 hours of learning per employee	Achieved 21.17 hours of learning per employee in FY23 as compared to 19.71 hours in FY22
	iii. Zero reportable incidents across operations	Measures have been taken along with training to ensure no reportable incidents

Business Responsibility & Sustainability Report Contd.

Pillar	2025 goals	Progress made so far
Corporate Social Responsibility	Empowering communities to build a progressive ecosystem	Need-based programmes are being implemented
Effective Governance	Highest levels of governance beyond compliance	Implementing industry-best practices, ensuring highest level of governance
Access to Healthcare	Innovating and strengthening healthcare systems across	Promoting innovative measures to strengthen healthcare systems

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements

With over three decades of experience, world-class infrastructure, and a talented team, we at Aurobindo Pharma are committed to creating value for all our stakeholders. We are diligently integrating ESG at the core of our functioning and in all that we do.

For Aurobindo, sustainability means adhering to responsible business practices and consistent involvement with all stakeholders. We strive to achieve economic success, while having business policies that are ethical, equitable, environmentally conscious, and sensitive towards the differently abled. We have made progress in terms of gender diversity among our workforce with a strong focus on employee learning & development.

Reducing carbon footprint through use of renewable energy and building resilient solutions that empower disadvantaged communities are some of our key priorities within the ESG framework. We have achieved a 17% reduction in carbon footprint with 11.85% share of renewable energy so far, against the 2025 targets of 12.5% and 20% respectively. In FY23, We consumed total of 80,341MWh of renewable power which include both self generated and purchased solar power from our Joint venture/associate company. We generated about 43,000 MWh Solar power from our Solar power plant near Pydibhimavaram, Vizag. Aurobindo commits itself to creating a more equitable and inclusive society, through sustainable transformation and social integration.

To make our ESG practices more transparent, we are adopting the Business Responsibility and Sustainability Report from this year.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policies	Mr. K. Nithyananda Reddy Vice Chairman & Managing Director Telephone number: 040-6672 5101 E-mail ID: secretarial@aurobindo.com																		
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 - Sustainability Reporting and ESG Committee <table border="1"> <thead> <tr> <th>Name of the director</th> <th>DIN Number</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>Mrs. Savita Mahajan</td> <td>06492679</td> <td>Chairperson</td> </tr> <tr> <td>Mr. K. Ragunathan</td> <td>00523576</td> <td>Member</td> </tr> <tr> <td>Mr. Santanu Mukherjee</td> <td>07716452</td> <td>Member</td> </tr> <tr> <td>Mr. K. Nithyananda Reddy</td> <td>01284195</td> <td>Member</td> </tr> <tr> <td>Mr. M. Madan Mohan Reddy</td> <td>01284266</td> <td>Member</td> </tr> </tbody> </table>	Name of the director	DIN Number	Designation	Mrs. Savita Mahajan	06492679	Chairperson	Mr. K. Ragunathan	00523576	Member	Mr. Santanu Mukherjee	07716452	Member	Mr. K. Nithyananda Reddy	01284195	Member	Mr. M. Madan Mohan Reddy	01284266	Member
Name of the director	DIN Number	Designation																	
Mrs. Savita Mahajan	06492679	Chairperson																	
Mr. K. Ragunathan	00523576	Member																	
Mr. Santanu Mukherjee	07716452	Member																	
Mr. K. Nithyananda Reddy	01284195	Member																	
Mr. M. Madan Mohan Reddy	01284266	Member																	

Subject for Review and Independent Assessment	P1	P2	P3	P4	P5	P6	P7	P8	P9
10. Performance against above policies and follow up action	Yes. Audit Committee reviews the reports submitted by the internal auditors covering the above principles subject to the scope approved by Audit Committee								
Compliance with statutory requirements of relevance to the principles and rectification of any 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.	Yes. Risk Management & Internal Audit reviews the adherence with support of external service providers. Scope is defined by the Risk Management & Internal Audit team and approved by Audit Committee								

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 THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

Section	Principle	Indicator Type
Section C	Principle 1	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	%age of persons in respective category covered by the awareness programmes
Board of Directors (BOD)	2	Most of the familiarisation programmes are provided to Board of Directors and Key Managerial Personnel as a part of Board or Committee Meetings	100%
Key Managerial Personnel (KMP)			
Employees Other than BOD and KMPs	1	Employees undergo integrated training covering the below topics i. Code of Conduct ii. Policy on Business Ethics and Values iii. Prevention of Sexual Harassment iv. Human Rights Policy v. Whistle Blower Policy. vi. Environment, Health, Safety and Sustainability Policy Employees basis their role undergo various training programs throughout the year. This includes cGMP trainings, functional SOP trainings, Safety trainings, On the Job trainings	100%
Workers	1	Health, Safety and Environmental trainings and training on Human Rights Policy	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
Particulars	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine					
Settlement			Nil		
Compounding Fees					
Non – Monetary					
Particulars	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment					
Punishment			Nil		

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Not Applicable

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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.

Yes, The company has 'Policy on Business Ethics & Values' in place. The scope of the policy broadly covers Money laundering and Anti-Competitive Practices. The company is committed to conduct business in an ethical and honest manner, to implement and enforce the systems that ensure bribery and corruption are prevented. The company respects all laws relating to anti-bribery and corruption in all the jurisdictions in which company operates.

The policy is applicable to all employees including contractual associates, third party contractors, sub-contractors, suppliers/ vendors, and other Service Providers associated with the Company and its Subsidiaries located in India

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

Particulars	FY 2023	FY 2022
Directors	Nil	Nil
KMPs		
Employees		
Workers		

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

Particulars	FY 2023		FY 2022	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

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

Section	Principle	Indicator Type
Section C	Principle 1	Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Value chain partners are expected to comply with Policy on Business Ethics and Values and Human Rights Policy. However, in the current financial year, no awareness programmes were held to train value chain partners on these principles.

2. 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 company has 'Code of Conduct for Board Members and Senior Management Personnel' and 'Related Party Transaction Policy' in place.

Code of Conduct broadly covers matters pertaining to Conflict of interest, Honest and Ethical Conduct, Compliance with Laws, Rules and Regulations, Confidentiality, Protection and Proper Use of Company's Assets and Duties of Independent Director.

Link : <https://www.aurobindo.com/investors/disclosures-under-regulation-46/code-of-conduct>

Related Party Transactions Policy ensures that proper approval and reporting of transactions between the Company and its Related Parties in the best interest of the Company and its Stakeholders

Link : <https://www.aurobindo.com/api/uploads/Related-Party-Transaction-Policy.pdf>

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

Section	Principle	Indicator Type
Section C	Principle 1	Essential Indicators

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

Particulars	FY23	FY22	Details of improvements in environmental and social impacts
R&D	-	-	
Capex	0.15%	0.12%	Focused on Environmental performance improvement with respect to Wastewater Treatment, Water and Energy conservation initiatives

2. A. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes. Sustainable Procurement policy is in place

B. If yes, what percentage of inputs were sourced sustainably?

Critical Suppliers of the company are evaluated basis the vendor qualification criteria outlined in the vendor qualification procedure. 100% of the critical inputs are sourced from suppliers following sustainable practices.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

- Plastics (including packaging)
- E-waste
- Hazardous waste and
- other waste.

The company has Waste Management Systems in place at all manufacturing facilities for effective waste management.

- Plastic waste generated from packing material of Expired material/Market returns are sent to authorized recyclers for disposal
- 100% of e-waste generated is sold to authorized vendors.
- Reusable portion of Hazardous waste is sent to authorised Cement Industries for use as alternate fuel. Non-reusable portion of Hazardous waste is sent to authorised Treatment, Storage and Disposal Facility (TSDF) for Secured Landfills (SLFs).
- Other non-hazardous waste such as
 - Glass, MS scrap are sent to recyclers
 - Boiler Ash is sent to brick manufacturers
 - Batteries are sent to recyclers under buy-back programmes for batteries
 - Biomedical Waste are sent to authorised waste management facility

4. 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 Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

EPR applicability to Aurobindo came during FY2022-23 only, and Aurobindo is in the process of complying with Plastic Waste management rules including EPR.

Aurobindo, including wholly owned subsidiaries is registered in EPR portal, and will be complying with applicable rules under EPR framework.

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Section	Principle	Indicator Type
Section C	Principle 2	Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details?

The company did not undertake any product life cycle assessment during the year. However, it endeavours to conduct the study for selected products in future.

2. 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 (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not Applicable

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Not Applicable

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed

Not Applicable

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Not Applicable

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

Section	Principle	Indicator Type
Section C	Principle 3	Essential Indicators

1A. Details of measures for well-being of employees

Category	Total	% of employees covered by									
		Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number	%	Number	%	Number	%	Number	%	Number	%
Permanent Employees											
Male	21,099	20,897	99.04%	21,019	99.62%	-	0%	208	0.99%	486	2.30%
Female	2,354	2,271	96.47%	2,322	98.64%	2,322	98.64%	-	0.00%	1,951	82.88%
Total	23,453	23,168	98.78%	23,341	99.52%	2,322	9.90%	208	0.89%	2,437	10.39%
Other than Permanent Employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

Note: Variance is on account of coverage of employees under ESI Act for insurance benefits

1B. Details of measures for the well-being of workers

Category	Total	% of workers covered by									
		Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number	%	Number	%	Number	%	Number	%	Number	%
Permanent Employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
Other than Permanent Employees											
Male	8,347	8,068	96.66%	8,347	100%	-	0%	-	-	221	2.65%
Female	1,613	1,577	97.77%	1,613	100%	1,613	100%	-	-	15	0.93%
Total	9,960	9,645	96.84%	9,960	100%	1,613	100%	-	-	236	2.37%

2. Details of retirement benefits, for Current FY 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	88%	100%	Y	88%	100%	Y
Gratuity	88%	0%	NA	88%	0%	NA
ESI	10%	100%	Y	10%	100%	Y
Others - Social Security Contributions as per laws of the respective countries	12%	0%	Y	12%	0%	Y

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, 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

Yes, company's premises has sufficient infrastructure for differently abled persons.

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

Yes, Clauses on equal opportunity are part of handbook of Aurobindo's Corporate Values provided to the employees at the time of formal joining of the company

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	71%	90%	-	-
Total	71%	90%	-	-

Business Responsibility & Sustainability Report Contd.

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

Category	Yes/No/NA
Permanent Workers	NA
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

Yes. Vigil Mechanism/Whistle Blower Policy of the company has adequate grievance redressal mechanism in place to report significant deviations from key management policies and report any non-compliance and wrong practices, e.g., unethical behaviour, fraud, violation of law, inappropriate behaviour /conduct etc. Complainant shall address 'Protected disclosure under Whistle Blower Policy' to Vigilance and Ethics Officer or to the Audit Committee/CEO/Chairman in exceptional cases.

Apart from above, POSH committee, works committee, welfare and canteen committee are in place to address the grievances of workers and employees.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023			FY 2022		
	Total employees / workers in respective category	No. of employees / workers in respective category, who are part of association(s) or Union	%	Total employees / workers in respective category	No. of employees / workers in respective category, who are part of association(s) or Union	%
Total Permanent Employees						
- Male	21,099	42	0.20%	20,198	42	0.21%
- Female	2,354	44	1.87%	2,149	44	2.05%
Total Permanent Workers						
- Male	-	-	-	-	-	-
- Female	-	-	-	-	-	-

8. Details of training given to employees and workers:

Category	FY 2023					FY 2022				
	Total	On Health and safety measures		On Skill upgradation		Total	On Health and safety measures		On Skill upgradation	
		No.	%	No.	%		No.	%	No.	%
Employees										
Male	21,099	21,099	100%	21,099	100%	20,198	20,198	100%	20,198	100%
Female	2,354	2,354	100%	2,354	100%	2,149	2,149	100%	2,149	100%
Total	23,453	23,453	100%	23,453	100%	22,346	22,346	100%	22,346	100%
Workers										
Male	8,347	8,347	100%	-	-	-	-	-	-	-
Female	1,613	1,613	100%	-	-	-	-	-	-	-
Total	9,960	9,960	100%	-	-	9,886	9,886	100%	-	-

9. Details of performance and career development reviews of employees and worker

Category	FY 2023			FY 2022		
	Total	No.	%	Total	No.	%
Employees						
Male	21,099	21,099	100%	20,198	20,198	100%
Female	2,354	2,354	100%	2,149	2,149	100%
Workers						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?	Yes. The company has implemented an Occupational health and safety management system. The coverage is 100% of our facilities, and it covers both regular employees and contractors. Health, safety, and well-being of employees and associates are a crucial material topic for the company. The company is committed towards instilling a healthy lifestyle, a safe working environment, and a healthy work-life balance. EHS framework and management practices assure compliance while prioritising product and process safety and safeguarding all employees. Each manufacturing facility has departmental and Apex safety committee. Every month Management review meetings are conducted which comprises top management from Corporate and representatives from all sites including site heads to examine safety performance and streamline operational procedures critical to safety requirements. Health and safety training is provided to both permanent and contractual workers, ensuring that our team understands the significance of safe procedures and guidelines. Risk identification and assessments are undertaken as part of the process before scaling up. Before commencing any chemical process in the manufacturing area, a hazard and operability study (HAZOP) is conducted. For all new projects, existing production units, and distribution centres among others, the Company observes and monitors the safety laws and procedures.
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	The company has developed a corporate guidance document which provides the course on how to identify, evaluate occupational Health and Safety risks, and reduce them to an acceptable level by strengthening existing controls and/ or incorporating additional controls for all the activities within the facilities of the organization. The Company undertakes periodic internal audits to ensure the compliance of Occupational Health and Safety management system within the manufacturing operation. The EHS trainings, audits and inspections are carried out as per the corporate guidelines. Further, it enables the identification of work-related hazards through design checklists, Hazard and Operability Analysis (HAZOP), Hazard Identification and Risk Assessment (HIRA), Activity based Risk Assessment. The guidelines clearly outline the role and responsibilities of individuals directly involved in identifying and mitigating Health & Safety risks on routine and non-routine basis.
c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)	Yes. The Company has well-established Standard Operating Procedures (SOP) for employees and workers to identify and report on work-related hazards and the subsequent steps to mitigate them. In addition, the Company trains all its employees and workers with occupational health and safety Standard operating procedures and work instructions. The training modules cover aspects of the methodology to identify work-related hazards, analyse the risks associated with it and take subsequent steps to mitigate them. During the safety and emergency evacuation drills, employees are trained in dealing with emergency equipment such as fire hydrant, firefighting system, leak and spill control procedures, safety alarms among others. In addition, the proficiency of employees is periodically tested in dealing with the emergency situations. The practical trainings and online safety modules equip the employees with right procedure of reporting work-related hazards and the steps to remove themselves from such situations
d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes. The company provides non-occupational medical and healthcare services to its employees and workers. Further, the Company ensures the provision of medical insurance to all its employees and workers. With the endeavour to promote physical and mental wellbeing for all the employees and workers, the Company designs comprehensive health programs which promote healthy lifestyle practices.

11. Details of safety related incidents:

Safety Incident/Number	Category	FY 2023	FY 2022
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees Workers	0.02	0.06
Total recordable work-related injuries	Employees Workers	2	6
No. of fatalities	Employees Workers	0	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees Workers	0	0

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

The company is committed towards instilling a healthy lifestyle, a safe working environment, and a healthy work-life balance. The EHS policy advocates the provision of safe working environment to all the employees, contractors, sub-contractors, visitors, and the neighbouring communities. EHS framework and management practices assure compliance while prioritising product and process safety and safeguarding all employees. Each manufacturing facility has departmental and Apex safety committee. Every month Management review meetings are conducted which comprises top management from Corporate and representatives from all sites including site heads to examine safety performance and streamline operational procedures critical to safety requirements. The Company undertakes periodic internal audits to assess the safety practices and procedures in alignment with the EHS management system and corporate EHS guidelines. As part of the auditing procedure and regular inspections, site visits, the Company recognises the critical areas requiring immediate corrective action.

The safety incidents and hazards are analysed to determine the root cause, subsequently corrective action plans are laid out to prevent the occurrence of similar incidents in the future. Further, as part of the EHS management system, the Company provides safety trainings through modules and safety drill practices to all its employees and workers. The safety training programs enable the development of strong foundation among the workforce, in terms of their ability to identify, mitigate and prevent risks pertaining to Occupational Health and Safety. The Company endeavours to prevent negative health impact on the employees through various health awareness sessions, provision of medical facilities and medical insurance benefits.

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

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

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% of the manufacturing and R&D locations are audited internally by the entity. The audits are conducted by internal experts to ensure the compliance of safety regulations and identification of major improvement areas. Apart from internal audits, periodic assessments are also done by customers, third parties and statutory authorities.
Working Conditions	100% (All the sites are assessed on their working conditions by the internal audits)

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.

In general, post analysis of root cause of the incident, corrective and preventive actions are taken to avoid the occurrence of such incidents in the future.

Section	Principle	Indicator Type
Section C	Principle 3	Leadership Indicators

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

Yes

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

The Company has adequate mechanisms to ensure that requisite statutory dues, as applicable to the transactions of the Company with its value chain partners, are deducted and deposited in accordance applicable regulations. The Company has

adequate systems in place to ensures payment of wages as per statute and statutory dues like PF, ESIC, etc. pertaining to contract workmen deployed through contractor.

The Company through its policy on business ethics and values, expects its value chain partners to conduct business in an ethical and honest manner, act professionally unbiased with integrity in all business dealings and ensure compliance to applicable laws and regulations

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:

Particulars	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023	FY 2022	FY 2023	FY 2022
Employees	-	-	-	-
Workers	-	-	-	-

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

No

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	Assessment of 100% of critical suppliers is made as a part of vendor qualification procedure and periodic
Working Conditions	vendor audits as per respective SOPs and Supplier Code of Conduct

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.

No significant risks/concerns arising from assessment of health and safety practices and working conditions of value chain partners

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

Section	Principle	Indicator Type
Section C	Principle 4	Essential Indicators

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

Identifying key stakeholder groups are crucial for effective stakeholder management. Key stakeholders identified in consultation with the management are investor/shareholder, customers, suppliers, third party manufacturers, employees, communities, and NGOs.

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Others)	Frequency of engagement (Annually/ Half yearly/Quarterly/ others)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investor/ shareholder	No	<ul style="list-style-type: none"> i. Website ii. Quarterly results and Annual reports iii. Press Release and Intimation to stock exchanges iv. Investor meetings/ conference 	<ul style="list-style-type: none"> Quarterly result/ conference call – Quarterly Annual report – Annual Press release/ investor meetings – Need based 	Investors/ Shareholders who form part of larger stakeholder group influence key decisions of the Company. Key topics for engagement with Investor/shareholders <ul style="list-style-type: none"> • Business Performance • Responsible business conduct • Corporate governance • Compliance with applicable laws and regulations • Strategic decisions in line with the vision and mission of the company
Customers	No	<ul style="list-style-type: none"> • In-person meetings including site visits • E-mail • Telephonic conversations • Business Conference 	Need based (Ongoing)	Key interest areas of customer include: <ul style="list-style-type: none"> • Product quality • Product pricing • On time delivery • Logistics facility • Credit availability
Supplier/Vendor/ Third party manufacturer	No	<ul style="list-style-type: none"> • In-person meetings including site visits • Vendor audits • E-mail • Telephonic conversations • Business Conference 	Need based (Ongoing)	Key interest areas of supplier include: <ul style="list-style-type: none"> • Product quality & compliance • Timely payments • Responsible Supply Chain
Government and Regulators	No	<ul style="list-style-type: none"> • In-person meetings • Facility audit • E-mail • Industry forums 	Need based (Ongoing)	Key areas of interest for the regulators are: <ul style="list-style-type: none"> • Policy and Regulatory Affairs • Product filing and approvals • Compliance with laws and regulations
Employees	No	<ul style="list-style-type: none"> • In person meetings • Company intranet • E-mail • Notice Board • Auro Pulse Newsletter 	Need based (Ongoing)	Key areas of interest for employees are: <ul style="list-style-type: none"> • Performance review • Employee welfare and wellbeing • Rewards, Benefits and Recognition • Skill based and behavioural learnings • Work-life balance • Fair salary compensation
Communities	Yes	<ul style="list-style-type: none"> • In-person meetings • E-mail • Community Meetings • Request letters • Project Progress report 	Need based (Ongoing)	Design, formulate, implement and monitor CSR project/activity scope based on need assessment
Implementing Partners/NGOs	No	<ul style="list-style-type: none"> • E-mail • Project Progress report 	Need based (Ongoing)	Design, formulate, implement and monitor CSR project/activity scope based on need assessment

Section	Principle	Indicator Type
Section C	Principle 4	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.

Respective functional heads engage with stakeholder groups on matters pertaining to economic, environmental and social topics. Any identified material issues post consultation with relevant stakeholders is brought to the notice of Board for appropriate further course of action

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, the identification and management of material issues relevant to the environment, social, economic and governance topics is done in consultation with the stakeholders. Identified material issues along financial and non-financial impact and further approach form part of materiality assessment in the Sustainability Report.

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

We engage with the communities and take institutional approaches, conduct consultations and focused group discussions and encourage their participation in need and impact assessment studies. Overall, we make the communities and beneficiaries as partners in progress. An illustration that can be quoted here is the establishment of several rural drinking water systems through Aurobindo Pharma Foundation. Through key representatives of the communities, their felt need for the establishment of a safe drinking water source in the vicinity of their village was identified and assessed. Then, project progress was tracked through consultations with those key representatives, gram panchayat and village water committees to ensure core expectations of relevant stakeholders were met.

PRINCIPLE 5 BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Section	Principle	Indicator Type
Section C	Principle 5	Essential Indicators

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

Category	FY 2023			FY 2022		
	Total	No. of employees/ workers covered	%	Total	No. of employees/ workers covered	%
Employees						
Permanent	23,381	23,381	100%	22,346	22,346	100%
Other than permanent	2	2	100%	-	-	100%
Total Employees	23,383	23,383	100%	22,346	22,346	100%
Workers						
Permanent	-	-	-	-	-	-
Other than permanent	9,960	9,960	100%	9,886	9,886	100%
Total Workers	9,960	9,960	100%	9,886	9,886	100%

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2. Details of minimum wages paid to employees and workers

Category	FY 2023					FY 2022				
	Total	Equal to Minimum wage No.	%	More than minimum wage No.	%	Total	Equal to Minimum wage No.	%	More than minimum wage No.	%
Employees										
Permanent										
Male	21,028	-	-	21,028	100%	20,198	-	-	20,198	100%
Female	2,353	-	-	2,353	100%	2,149	-	-	2,149	100%
Other than permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Other than permanent										
Male	8,230	5,041	61%	3,189	39%	8,197	4,893	60%	3,311	40%
Female	1,655	1,471	89%	184	11%	1,486	1,299	87%	185	12%

3. Details of remuneration/salary/wages

Category	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BOD)	3	35.23 Mn	-	-
Key Managerial Personnel	2	21.51 Mn	-	-
Employees other than BOD and KMP	20,716	1.24 Mn	2,094	4.03 Mn
Workers	8,347	0.26 Mn	1,613	0.26 Mn

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. Employee Grievance Redressal Committee is constituted to address the grievances of employees apart from the on-line platform i.e. People Care Link. Similarly, the Contract Workmen are also encouraged to express/share their views / ideas / concerns freely at workplace/meetings.

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

Yes. Every employee has a right to report grievances, non-compliance or concern through 'People Care Link' in HRMS and through other means like dedicated hotline connect number and dedicated mailbox

6. Number of Complaints on the following made by employees and workers

Particulars	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
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

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

The company has Vigil Mechanism/Whistle Blower Policy and Policy on Sexual Harassment of Women at Workplace in place.

To protect identity of the complainant, the Vigilance and Ethics Officer will not issue any acknowledgement to the complainants, and they are further advised not to write their name / address on the envelope and not to enter into any further correspondence with the Vigilance and Ethics Officer. All records and reports associated with protected disclosures are considered confidential information and access is restricted to the Whistle blower and Vigilance Officer.

The complainant or witnesses involved in the case will not be victimized or discriminated against dealing with complaints of sexual harassment. The Internal Complaints Committee (ICC) or Regional-ICC either collectively or individually will keep the complaint confidential and discreet including the names of the people involved till the case is concluded considering the serious ramifications on both the parties involved in such cases.

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

Yes, basis the nature of contract, human rights requirements form part of business agreements and contracts on need basis.

9. Assessment 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	100% of manufacturing and R&D facilities of the group are assessed
Sexual harassment	by entity or statutory authorities or third-party audits
Discrimination at workplace	
Wages	

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

There were no significant risks / concerns arising from the assessments at question 9 above.

Section	Principle	Indicator Type
Section C	Principle 5	Leadership Indicators

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

Not Applicable

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

As per the Human Rights policy, compliance to human rights is regularly monitored and reviewed by the corporate HR with top management on an annual basis

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

4. Details on assessment of value chain partners

Category	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	-
Discrimination at workplace	100% of critical suppliers are assessed on these parameters as a part of vendor qualification and vendor audit procedures
Child Labour	
Forced Labour/Involuntary Labour	
Wages	-

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 as no major significant risks/concerns identified

Business Responsibility & Sustainability Report Contd.

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

Section	Principle	Indicator Type
Section C	Principle 6	Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity

Parameter	FY 2023	FY 2022
Total electricity consumption (A)	21,50,041	21,63,607
Total fuel consumption (B)	47,17,082	39,78,570
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)	68,67,123	61,42,177
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	0.00002763	0.00002619

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. 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

Parameter	FY 2023	FY 2022
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Ground water	20,14,000	18,24,000
(iii) Third party water	16,66,000	15,12,000
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	36,81,000	33,36,000
Total volume of water consumption (in kilolitres)	36,81,000	33,36,000
Water intensity per rupee of turnover (Water consumed / turnover)	0.000015	0.000014

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

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

Yes. Our fully operational Effluent Treatment Plants (ETPs) deploy innovative technologies to collect, store, treat, and manage wastewater across all our units, and we have achieved Zero Liquid Discharge status at five units namely - Aurobindo U-I, V, VIII, IX and Eugia-II units. We use treated wastewater for utility consumption.

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

Parameter	Units	FY 2023	FY 2022
NOx	Metric Tonnes	611	545
Sox	Metric Tonnes	1,180	1,031
Particulate matter (PM)	Metric Tonnes	301	297
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-

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

Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity

Parameter	Units	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	4,47,207	3,61,621
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	4,94,264	4,97,263
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO ₂ e/INR	0.00000379	0.00000366
Total Scope 1 and Scope 2 emission 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 - No

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

Yes. As part of our GHG emission reduction, we have implemented multiple projects for reducing greenhouse gas emissions from our operations. Those include

- Generation and use of renewable energy (Solar) - we have generated and consumed about 43,000 MWh of solar energy in FY23 and in total about 2,46,098 MWh renewable power since FY 2018 from our 30MW Solar power plant
- Sourcing of renewable energy from our associates (Solar)- We have purchased and consumed about 37,307 MWh of Solar power in FY23
- Shifting to Biomass or Briquette fuel in place of coal at some of our units
- Use of Piped Natural Gas.
- Apart from the above we also take-up various Energy conservation initiatives every year at manufacturing units for reducing energy consumption and intern GHG emissions reduction.

This has resulted in emission reduction about 2,28,496 tCO₂e.

7. Provide details related to waste management by the entity

Parameter	FY 2023	FY 2022
Total Waste generated (in metric tonnes)		
Plastic waste (A)	783	740
E-waste (B)	2	6
Bio-medical waste (C)	265	220
Construction and demolition waste (D)	*	*
Battery waste (E)	**	**
Radioactive waste (F)	-	-
Other Hazardous waste (G)		
(i) Other Hazardous Waste	22,164	18,445
(ii) Used Oil	15	24
Other Non-hazardous waste generated (H)		
Fly Ash	26,495	24,108
Total (A+B + C + D + E + F + G+ H)	49,724	43,543

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

Business Responsibility & Sustainability Report Contd.

Parameter	FY 2023	FY 2022
Category of waste		
(i) Recycled		
Plastic Waste [#]	783	740
Fly Ash ^{**}	26,495	24,108
E-Waste [#]	2	6
Battery Waste ^{###}	**	**
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	27,280	24,854
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	543	534
(ii) Landfilling	8,457	8,818
(iii) Other disposal operations (MT of Hazardous Waste disposed to Cement units for use as alternative fuel)	13,164	9,295
Total	22,164	18,647

*Information pertaining to demolition and construction waste is not available with the company

**Count of battery waste generated is 2,609 Nos. for FY 2023 and 2,785 Nos. for FY 2022. Since the battery waste details are not available in MT, the same is not considered for total calculation

[#]Disposed for recycling to authorised recyclers

^{**}Disposed to brick manufacturers for recycling

^{###}Disposed under buyback for recycling

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

8. 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.

The Company integrates a waste management plan with a comprehensive approach towards waste minimization, segregation and safe disposal as part of hazardous waste disposal mechanism, the Company has implemented initiatives of diverting larger quantity of hazardous waste towards co-processing and recycling over other disposal mechanisms that is incineration and landfilling. We have waste management systems in place at all our facilities. Plastic waste is either co-processed or recycled based upon the type of waste generated. E-waste is sold to authorized vendors. More than 62% of our hazardous waste is sent to cement industries and recyclers for co-processing and recycling. Other non-hazardous waste such as glass, MS scrap, wood waste, boiler ash etc. is sent to recyclers.

9. 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

None of the company operations/offices are located in ecologically sensitive areas

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

No environmental impact assessments were made during FY23

11. 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

Not Applicable as the company follow all applicable environmental laws, regulations and guidelines

Section	Principle	Indicator Type
Section C	Principle 6	Leadership Indicators

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

Parameter	FY 2023	FY 2022
From renewable sources		
Total electricity consumption (A)	2,88,995	1,55,545
Total fuel consumption (B)	1,31,177	1,55,631
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	4,20,172	3,11,176
From non-renewable sources		
Total electricity consumption (D)	18,61,046	20,08,062
Total fuel consumption (E)	45,85,905	38,22,939
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	64,46,951	58,31,001

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	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With Primary and secondary treatment	2,06,945	2,04,534
(iv) Sent to third parties		
- No treatment	-	-
- With Primary treatment	6,64,331	6,29,690
(v) Others		
- No treatment	-	-
- With treatment	-	-
Total water discharged (in kilolitres)	8,71,276	8,44,224

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

Business Responsibility & Sustainability Report Contd.

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

For each facility / plant located in areas of water stress, provide the following information:

- Name of the area – Bhiwadi, Rajasthan
- Nature of operations – Manufacturing of injectables
- Water withdrawal, consumption and discharge

Parameter	FY 2023	FY 2022
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	63,042	65,992
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	63,042	65,992
Total volume of water consumption (in kilolitres)	63,042	65,992
Water intensity per rupee of turnover (Water consumed / turnover)	0.00000025	0.00000028
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	-	-
- With treatment	-	-
(ii) Into Groundwater		
- No treatment	-	-
- With treatment	-	-
(iii) Into Seawater		
- No treatment	-	-
- With treatment	-	-
(iv) Sent to third parties		
- No treatment	-	-
- With treatment	-	-
(v) Others*		
- No treatment	-	-
- With treatment	-	-
Total water discharged (in kilolitres)	-	-

* Since facility is a zero liquid discharge facility, treated water is reused for utility purpose

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

4. Details of total Scope 3 emissions & its intensity

Scope 3 emissions information for FY23 is not available with the company. The company is in the process of initiating collection of scope 3 emissions information from value chain partners.

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 - Not Applicable

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, provide details of the same as well as outcome of such initiatives

Sl. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)
1	Improving steam fuel ratio	Reduction in consumption of coal by 1467.1 MT through increased steam condensate recovery and installation of oxygen analysers
2	Optimising Power consumption	Savings of 71.867 Lac KWH through Installation of energy efficient chillers and replacement of old pumps

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

Yes, the company has a business continuity and on-site emergency plan for all its locations. This business continuity plan enables the Company to adapt in situations arising from any natural calamity or an unprecedented event which may disrupt the business operations. Company continuously enhances its existing plan by incorporating interferences and observations from disruptions faced in the unprecedented situations such as the pandemic. Further, the company's risk management plan enables the minimization of disaster-linked losses, by assessing the potential for major disruption with its consequent risks to the business, and by providing the appropriate mitigation action plans.

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

Scope-3 emissions information is not available with the entity.

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

100% of the critical suppliers are assessed on environmental impacts as a part of vendor qualification and vendor audit procedures.

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

Section	Principle	Indicator Type
Section C	Principle 7	Essential Indicators

- Number of affiliations with trade and industry chambers/ associations. – 44
 - 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.

Sl. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations
1	Federation of Indian Micro and Small and Medium Enterprises (FIMSE)	National
2	Confederation of Indian Industry	National
3	Indian Chamber of Commerce & Industry	National
4	Pharmaceuticals Export Promotion Council of India	4,120
5	Telangana Chambers of Commerce and Industry	3,400
6	The Federation TG and AP Chambers of Commerce & Industry (FAPCCI)	3,000
7	The Federation of Telangana Chambers of Commerce and Industry	3,000
8	Indo American Chamber of Commerce	1,500
9	Andhra Chamber of Commerce	1,350
10	Indian Drug Manufacturers Association	1,000

1. 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

No adverse orders were received from regulatory authorities

Business Responsibility & Sustainability Report Contd.

Section	Principle	Indicator Type
Section C	Principle 7	Leadership Indicators

1. Details of public policy positions advocated by the entity:

The company through trade and industry associations makes representation to the government/regulators on various aspects considering public interest at large.

PRINCIPLE 8 BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Section	Principle	Indicator Type
Section C	Principle 8	Essential Indicators

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

Name and brief details of project	SIA Notification No. & Date	Whether conducted by independent external agency(Yes/No)	Results in public domain (Yes/No)	Relevant Web link
1. Report on the impact of the Infrastructure development in 20 schools and 2 colleges in Pileru and K.V. Palli mandals of Chittoor district, Andhra Pradesh state	G.S.R. 40(E) of Ministry of Corporate Affairs - 22 nd Jan, 2021	Yes; Assessment conducted and reported by Participatory Rural Development Initiatives Society (PRDIS)	Yes	Link: https://www.aurobindo.com/sustainability/impact-assessment-reports-csr-projects
2. Report on the impact of Establishment of Sundarayya skill development centre, Vaddeswaram village, Tadepalli mandal, Guntur District, Andhra Pradesh state.	G.S.R. 40(E) of Ministry of Corporate Affairs - 22 nd Jan, 2021	Yes; Assessment conducted and reported by Participatory Rural Development Initiatives Society (PRDIS)	Yes	Link: https://www.aurobindo.com/sustainability/impact-assessment-reports-csr-projects
3. Report on the impact of Establishment of Jwala Gutta Academy of Excellence, Hyderabad to equip with gym and other related infrastructure (Co-Sponsor), Telangana state.	G.S.R. 40(E) of Ministry of Corporate Affairs - 22 nd Jan, 2021	Yes; Assessment conducted and reported by Poverty Learning Foundation (PLF)	Yes	Link: https://www.aurobindo.com/sustainability/impact-assessment-reports-csr-projects

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

Not Applicable

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

All the requests/applications from Villagers/Gram Sabha's / Panchayat / Ward Members/NGOs/ Trusts/ Societies/Beneficiaries etc. shall be scrutinized and screened by CSR Cell and then their need assessment would be done. The need assessment/ baseline survey shall be carried out through in-house expertise and resources. However, in case of specialized CSR projects/ activities for which in-house capacity is not available, the baseline survey/need assessment shall be carried out by specialized agencies. In any case, the Company shall maintain the documentary evidence of having got the need assessment study done through its own expertise and resources, or through some specialized agencies, or having accessed reliable data in this regard from recognized authoritative secondary sources.

The implementation and monitoring of the CSR activities shall be overseen by the CSR Committee of the Board. The day-to-day implementation shall be under the overall supervision of a senior level executive, one rank below the Board Level, who shall act as the Nodal Officer. A CSR team of officials/employees within the organization who shall execute the CSR activities. The Nodal Officer along with a team of officials/employees shall coordinate & implement the CSR activities. For effective delivery of CSR operations and to have a focused approach, Aurobindo Pharma Foundation has been formed as a trust and Section 8 company under relevant legal framework. The team of CSR will work in close coordination under foundation and perform different activities. The CSR Committee and the Nodal Officer's team of officers/ employees together will constitute the two-tier organizational structure to steer the CSR agenda of the company. If required, the consultation/help of State Government/District administration may be taken wherever necessary.

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	8.4%	7.8%
Sourced directly from within the district and neighbouring districts	22%	19%

Section	Principle	Indicator Type
Section C	Principle 8	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):

There are no negative impacts as per the assessment made

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

Sl. No.	State	Aspirational District	Amount spent (In ₹)
1	Andhra Pradesh	Vizianagaram*	6.5 Mn
2	Odisha	Koraput	3.0 Mn

* Vizianagaram is not an aspirational district at present, but it was aspirational when the project was initiated.

3. A. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No. The company doesn't have a preferential procurement policy to purchase from suppliers comprising marginalized/ vulnerable groups. Selection of supplier is driven by vendor qualification process for critical material procurement.

B. From which marginalized /vulnerable groups do you procure?

Not Applicable

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

Not Applicable

4. 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:

The Company does not derive any benefits from intellectual properties owned or acquired based on traditional knowledge.

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

Not Applicable

6. Details of beneficiaries of CSR Projects:

Sl. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Education based projects (Construction, renovation of schools, colleges, infrastructure support, supporting NGOs for promoting education, education of children with disabilities, sponsorship of education of underprivileged students)	1,03,423	100%
2	Health & Sanitation based projects (Construction of hospitals, conducting health camps, providing medical equipment, supporting TB patients through Ni-kshay Mitra scheme of GoI, financially supporting underprivileged patients for their treatment, solid waste management project for promoting sanitation in villages)	145,822	100%
3	Nutrition based projects (Distribution of food through centralised kitchens, establishment of kitchen gardens, distribution of food to underprivileged people through supporting local NGOs in villages) Note: Though number of free meals provided from 4 Hare Krishna kitchens is 1.70 crores, during FY23, actual beneficiaries number (only students) has been considered due to non-availability of all beneficiary details and to omit repetitions	53,619	100%
4	Safe Drinking Water, Rural Development & Public Safety based projects (Establishing community RO Water plants in villages, laying of CC roads for connectivity, installation of CC Cameras, solar streetlights in villages and solar panels in Sachivalayams, construction of police station, supporting Industrial Fire Safety Association to promote public safety)	421,489	100%
5	Agriculture & Environmental Sustainability based projects (Supporting and hand-holding Farmer Producer Organizations, construction of Farmers Training Centre and Custom Hiring Centre, providing training in sustainable agricultural practices, establishing of a park under Palle Prakruthi Vanam - social forestry scheme of the Govt. of Telangana, supporting the establishment of a plastic waste recycling plant)	11,434	100%
6	Old-Age Homes based projects (Supporting operational expenses of old age home)	35	100%
7	Rural Sports based projects (Supporting rural athletes and supporting District Games Federation in Srikakulam district, Andhra Pradesh)	1,403	100%
8	Animal Welfare based projects (Supporting Goshalas for providing feed, fodder, and maintenance to the cattle)	930	100%

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

Section	Principle	Indicator Type
Section C	Principle 9	Essential Indicators

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

All the queries and product-related safety complaints are addressed on a priority basis. All spontaneous adverse events (marketed products) are collected via phone, email, fax, postal and Aurobindo official website. All adverse events (investigational products) are collected as per the Clinical Trial Protocol or Safety Management Plan. For this purpose, various channels of communication are available to collect safety information round the clock. All employees of the company participating in the pharmacovigilance activities are trained, know their responsibility and are capable to perform their duties. We comply with international regulations governing the reporting, analysis and communication of side effects. We have a governance framework and policies in place to help us detect and act on any side-effects and other human safety information that may be associated with our products. We are using Argus Safety database to support identification and evaluation of safety information, for example, the identification of new side effects or a change in the nature, frequency, or severity of known side effects.

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

Particulars	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	100%
Recycling and/or safe disposal	-

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

Particulars	FY 2023			FY 2022		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	-	-	-	-	-	-

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

Particulars	Number	Reasons for recall
Voluntary recalls	5	Reasons for recall of products are due to quality specifications
Forced recalls	-	-

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.

Policy on cyber security is available to address risks related to information security and data privacy.

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.

Root cause identification and Investigation is performed, and corrective and preventive actions are initiated to prevent re-occurrence of product recalls



Section	Principle	Indicator Type
Section C	Principle 9	Leadership Indicators

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

Link: <https://www.aurobindo.com/about-us/business-units/formulations>

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

Educational materials explain the role and responsibilities of Health Care Professionals in identifying and evaluating side effects and other human safety information, and subsequently preparing and submitting reports of high quality.

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

The benefit/risk profile of an Aurobindo product is assessed throughout its lifecycle using a benefit/risk framework and appropriate analyses. When information is found that changes the benefit/risk balance in a negative direction, action is taken to characterise, communicate and minimise the risk. Proposed actions are discussed with regulatory authorities and can include modifying the prescribing information (which includes the patient information leaflet), sending communications to Health Care Professionals (HCPs) and sometimes carrying out further Post Authorization Safety Studies and/or other risk management measures. In certain cases, it may be appropriate to withdraw the medicine from the market.

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)

No

5. Provide the following information relating to data breaches:

- A. Number of instances of data breaches along-with impact – Nil
- B. Percentage of data breaches involving personally identifiable information of customers – Not Applicable

ANNEXURE-1

Form AOC-I

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

PART "A": SUBSIDIARIES

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

Sl. No.	Name of the subsidiary	The date since when subsidiary reporting currency was acquired	Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments in Subsidiaries	Investments in other than Subsidiaries	Turnover	Profit / (Loss) before taxation	Profit / (Loss) after taxation	Proposed Dividend	% of shareholding	Country		
1	Helix Healthcare BV	Not Applicable	EUR	89.4425	27,001.8	758.2	16,483.3	253.7	10,724.5	805.8	-	364.7	(117.8)	482.5	-	100%	The Netherlands
2	Agile Pharma BV	Not Applicable	EUR	89.4425	4,952.0	4,097.4	2,776.5	14,674.1	20,946.9	-	107.6	343.3	129.6	213.7	-	100%	The Netherlands
3	Laboratorios Aurobindo S.L.	Not Applicable	EUR	89.4425	435.2	(245.0)	280.0	89.8	-	-	21.4	42.3	(20.9)	-	100%	Spain	
4	Aurex BV (formerly known as Pharmacin BV.)	December 29, 2006	EUR	89.4425	1.6	306.2	352.0	44.2	-	285.8	(31.1)	(4.9)	(26.2)	-	100%	The Netherlands	
5	Milpharm Limited	February 9, 2006	GBP	101.6475	365.8	2,509.8	5,285.6	2,410.1	-	6,769.8	568.8	108.0	460.7	-	100%	U.K.	
6	Aurobindo Pharma (Malta) Ltd	Not Applicable	EUR	89.4425	453.9	208.0	429.6	28.4	260.7	-	3.4	29.6	-	29.6	-	100%	Malta
7	APL Swift Services (Malta) Ltd	Not Applicable	EUR	89.4425	322.0	268.4	4,029.8	3,439.4	-	-	9,817.2	9.6	-	9.6	-	100%	Malta
8	Aurobindo Pharma (Romania) s.r.l	Not Applicable	RON	18.0416	767.0	(753.3)	176.0	162.4	-	278.5	(295.7)	33.8	(329.5)	-	100%	Romania	
9	Pharmacin BV (formerly known as Aurex BV)	Not Applicable	EUR	89.4425	8.0	62.3	163.8	93.4	-	307.9	7.9	1.3	6.6	-	100%	The Netherlands	
10	Aurovitas Pharma Polska	Not Applicable	PLN	19.1050	537.6	342.9	3,583.0	2,702.4	-	3,934.6	(397.7)	(59.3)	(338.3)	-	100%	Poland	
11	Generis Farmaceutica S.A.	May 1, 2017	EUR	89.4425	11,627.0	(3,996.0)	9,977.4	2,346.9	0.5	-	9,728.6	800.6	387.8	412.8	-	100%	Portugal
12	Generis Phat, Unipessoal Lda	May 1, 2017	EUR	89.4425	0.4	0.1	1.1	0.6	-	-	-	-	-	-	100%	Portugal	
13	Aurobindo Pharma (Italia) S.r.l	Not Applicable	EUR	89.4425	2,736.9	(2,039.8)	2,794.1	2,097.0	-	3,621.5	143.8	12.4	131.4	-	100%	Italy	
14	Arrow generiques SAS	April 1, 2014	EUR	89.4425	3,349.1	2,780.6	13,616.5	7,486.9	-	19,572.8	756.7	124.1	632.6	-	100%	France	
15	1980 Puren Pharma GmbH (formerly Actavis Management GmbH), Germany	April 1, 2014	EUR	89.4425	2.2	2.8	5.8	0.8	-	1.1	0.1	-	0.1	-	100%	Germany	
16	Puren Pharma GmbH & Co., KG (formerly Actavis Deutschland GmbH & Co., KG)	April 1, 2014	EUR	89.4425	332.5	1,241.0	10,545.2	8,971.7	-	6,706.2	398.6	69.8	328.9	576.1	100%	Germany	



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17	Aurovitas Spain SA (formerly Actavis Spain SA)	April 1, 2014	EUR	89.4425	53.5	2,137.5	3,479.6	1,288.6	-	-	4,796.3	211.8	53.7	158.1	-	100%	Spain
18	Aurobindo Pharma B.V. (formerly known as Actavis B.V)	April 1, 2014	EUR	89.4425	453.3	3,989.9	8,622.5	4,661.5	482.2	-	10,346.7	1,405.9	366.4	1,039.5	-	100%	The Netherlands
19	Aurovitas Spol s.r.o (Formerly Apotex (CR) Spol s.r.o)	February 8, 2019	CZK	3.8023	462.4	14.9	567.6	90.4	-	-	222.9	(227.9)	-	(227.9)	-	100%	Czech Republic
20	Apotex Europe B.V.	February 8, 2019	EUR	89.4425	-	574.4	680.9	106.5	-	-	2.2	6.1	-	6.1	-	100%	The Netherlands
21	Aurovitas Nederland BV (formerly Apotex Nederland BV)	February 8, 2019	EUR	89.4425	-	(1,383.1)	405.7	1,788.8	-	-	-	(69.6)	-	(69.6)	-	100%	The Netherlands
22	Sameko Farma B.V.	February 8, 2019	EUR	89.4425	-	-	-	-	-	-	-	-	-	-	-	100%	The Netherlands
23	Leidapharm B.V.	February 8, 2019	EUR	89.4425	-	-	-	-	-	-	-	-	-	-	-	100%	The Netherlands
24	Marel B.V.	February 8, 2019	EUR	89.4425	-	-	-	-	-	-	-	-	-	-	-	100%	The Netherlands
25	Pharma Dossier B.V.	February 8, 2019	EUR	89.4425	-	-	-	-	-	-	-	-	-	-	-	100%	The Netherlands
26	Aurobindo NV/SA	Not Applicable	EUR	89.4425	715.7	(157.1)	1,102.3	543.6	-	-	1,334.9	(39.0)	(1.1)	(37.9)	-	100%	Belgium
27	CurateQ Biologics s.r.o.	Not Applicable	CZK	3.8023	165.3	(23.9)	142.8	1.5	-	-	-	(11.5)	-	(11.5)	-	100%	Czech Republic
28	Eugia Pharma B.V.	Not Applicable	EUR	89.4425	1,038.4	449.6	476.3	6.7	1,018.6	-	-	481.8	25.0	456.8	-	100%	The Netherlands
29	Eugia Pharma (Malta) Limited	Not Applicable	EUR	89.4425	849.8	-	2,211.2	1,361.4	-	-	2,599.1	510.5	175.2	335.4	325.2	100%	Malta
30	Eugia (UK) Limited	Not Applicable	GBP	101.6475	42.7	(1.3)	45.1	3.7	-	-	4.0	(1.3)	-	(1.3)	-	100%	U.K.
31	APL Pharma Thai Limited*	Not Applicable	THB	2.4025	240.3	(63.1)	221.0	43.8	-	-	55.7	(5.8)	-	(5.8)	-	97.92%	Thailand
32	Aurobindo Pharma Industria Farmaceutica Ltd*	Not Applicable	BRL	16.1586	163.7	597.9	839.5	78.0	-	-	1,949.4	772.0	262.5	509.5	1,689.7	99.97%	Brazil
33	Aurobindo Pharma Produtos Farmaceuticos Limitada*	Not Applicable	BRL	16.1586	1.6	247.5	265.9	16.8	-	-	111.1	18.9	6.4	12.5	-	100%	Brazil
34	All Pharma (Shanghai) Trading Co Ltd*	Not Applicable	RMB	11.9475	59.8	173.3	278.0	45.0	-	-	34.3	6.0	-	6.0	-	100%	China
35	Auro Pharma Inc.	Not Applicable	CAD	60.6675	262.5	1,473.3	4,806.8	3,071.0	-	-	5,422.1	383.0	188.0	195.0	-	100%	Canada
36	Aurobindo Pharma (Pty) Ltd	Not Applicable	ZAR	4.6175	193.5	72.9	2,353.3	2,087.0	-	-	2,752.1	27.2	-	27.2	-	100%	South Africa
37	Aurobindo Pharma Japan KK	Not Applicable	JPY	0.6160	91.7	92.6	383.9	199.7	-	-	537.0	82.1	25.3	56.8	-	100%	Japan

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38	Aurovida Farmaceutica SA DE CV*	Not Applicable	MXN	4.5480	690.2	(21.5)	2,667.6	1,999.0	-	-	2,108.4	203.5	57.6	145.9	-	100%	Mexico
39	Aurobindo Pharma Colombia S A S*	Not Applicable	Cpeso	0.0177	28.3	325.9	603.8	249.5	-	-	509.1	(60.9)	(4.8)	(56.1)	-	100%	Colombia
40	Aurogen South Africa (Pty) Ltd	Not Applicable	ZAR	4.6175	193.5	1,326.4	2,091.2	842.0	193.5	77.0	1,338.7	113.1	30.9	82.1	-	100%	South Africa
41	Aurobindo Pharma Saudi Arabia Limited Company	Not Applicable	SAR	21.8900	656.7	(223.3)	464.8	31.4	-	-	79.4	(63.7)	(14.0)	(49.8)	-	100%	Saudi Arabia
42	Aurovitas Pharma (Taizhou) Ltd*	Not Applicable	RMB	11.9475	2,887.9	(172.6)	8,407.1	5,691.9	-	-	-	(68.8)	-	(68.8)	-	100%	China
43	Aurobindo Pharma FZ-LLC	Not Applicable	AED	22.3725	73.5	(72.7)	31.3	30.4	-	-	23.2	(29.5)	-	(29.5)	-	100%	Dubai
44	Aurosalud SA De CV*	Not Applicable	MXN	4.5480	0.2	(6.3)	57.6	63.7	-	-	-	(6.3)	-	(6.3)	-	100%	Mexico
45	Auro PR Inc	Not Applicable	USD	82.1700	493.0	397.7	7,779.2	6,888.5	-	-	4,382.4	-	5.0	(5.0)	-	100%	Puerto Rico
46	Eugia Pharma INC	Not Applicable	CAD	60.6675	-	12.1	51.2	39.1	-	-	-	(4.2)	-	(4.2)	-	100%	Canada
47	Eugia Pharma (Australia) PTY Limited	Not Applicable	AUD	55.0250	31.6	(27.4)	5.1	0.9	-	-	-	(27.4)	-	(27.4)	-	100%	Australia
48	Eugia Pharma Industria Farmaceutica Limitada*	Not Applicable	BRL	16.1586	48.5	(16.1)	309.1	276.7	-	-	83.9	(16.0)	1.6	(17.6)	-	100%	Brazil
49	Auro PR I LLC (formerly Mylan LLC)	December 30, 2021	USD	82.1700	-	-	-	-	-	-	-	-	-	-	-	100%	Puerto Rico
50	Aurobindo Pharma Ukraine LLC*	Not Applicable	UAH	2.2178	-	-	-	-	-	-	-	-	-	-	-	100%	Ukraine
51	Eugia Pharma Colombia S.A.S.*	Not Applicable	COP	0.0177	8.9	-	8.8	-	-	-	-	-	-	-	-	100%	Colombia
52	PT Aurogen Pharma Indonesia**	Not Applicable	IDR	0.0055	17.1	(5.4)	11.7	-	-	-	-	-	-	-	-	100%	Indonesia
53	Auroscience PTY Ltd, Australia	Not Applicable	USD	82.1700	-	-	-	-	-	-	9.9	(104.6)	-	(104.6)	-	100%	Australia
54	Aurobindo Pharma USA Inc.	Not Applicable	USD	82.1700	5,067.8	51,425.0	80,573.7	33,592.6	5,205.5	3,592.3	61,005.8	1,491.2	(90.3)	1,581.5	-	100%	USA
55	AuroLife Pharma LLC	Not Applicable	USD	82.1700	5,012.4	4,662.1	17,110.9	7,436.4	-	-	699.6	(1,199.6)	-	(1,199.6)	-	100%	USA
56	Eugia US LLC (formerly Auromedics Pharma LLC), U.S.A.	Not Applicable	USD	82.1700	16.8	7,992.5	15,578.5	7,569.1	-	-	20,845.2	695.7	148.8	546.9	-	100%	USA
57	Auro Health LLC	Not Applicable	USD	82.1700	20.5	1,955.8	9,274.7	7,271.3	41.1	-	5,931.1	343.5	68.2	275.3	-	100%	USA
58	Auro AR LLC	Not Applicable	USD	82.1700	8.2	-	8.2	-	-	-	-	-	-	-	-	100%	USA
59	Auro Vaccines LLC	Not Applicable	USD	82.1700	41.1	(3,342.6)	410.3	3,711.8	-	-	-	(479.3)	-	(479.3)	-	100%	USA
60	AuroLogistics LLC	Not Applicable	USD	82.1700	41.1	275.2	1,305.3	974.5	-	-	2,091.0	72.9	14.5	58.5	-	100%	USA



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61	Acrotech Biopharma LLC	Not Applicable	USD	82.1700	41.1	6,281.6	10,992.0	4,038.0	-	-	9,779.5	3,178.6	631.3	2,547.3	-	100%	USA
62	Auro Science LLC	Not Applicable	USD	82.1700	-	-	-	-	-	-	-	-	-	-	-	100%	USA
63	Auro Packaging LLC	Not Applicable	USD	82.1700	41.1	(81.2)	1,150.7	1,190.8	-	-	418.2	(177.5)	-	(177.5)	-	100%	USA
64	Auro Steriles LLC ³	Not Applicable	USD	82.1700	-	-	-	-	-	-	-	-	-	-	-	100%	USA
65	Vespyr Brands, Inc (formerly known as Nurya Brands Inc)	Not Applicable	USD	82.1700	41.1	(37.1)	5,744.3	5,740.3	-	-	2,298.0	(16.4)	-	(16.4)	-	100%	USA
66	Eugia US Manufacturing LLC	Not Applicable	USD	82.1700	0.4	(391.3)	5,835.3	6,226.2	-	-	-	(155.5)	-	(155.5)	-	100%	USA
67	Eugia Injectable Inc ⁴	Not Applicable	USD	82.1700	-	-	-	-	-	-	-	-	-	-	-	100%	USA
68	Eugia Inc	Not Applicable	USD	82.1700	0.8	7,462.0	1.6	1.6	7,462.8	-	-	-	-	-	-	100%	USA
69	APL Healthcare Limited ⁵	Not Applicable	INR	1.0000	2,160.0	10,577.5	28,645.0	15,907.4	-	-	31,388.7	4,748.6	10.5	4,738.1	-	100%	India
70	Auronext Pharma Private Limited	Not Applicable	INR	1.0000	1,249.8	1,068.2	2,371.3	53.4	-	-	-	(32.8)	1.8	(34.5)	-	100%	India
71	Auro Peptides Ltd	Not Applicable	INR	1.0000	1.0	(1,520.8)	1,301.0	2,820.8	-	-	353.9	(141.5)	-	(141.5)	-	95%	India
72	Apitoria Pharma Private Limited (formerly Auro Pharma India Private Limited)	Not Applicable	INR	1.0000	1.0	(0.3)	0.7	-	-	-	-	(0.1)	-	(0.1)	-	100%	India
73	Auroactive Pharma Private Limited	Not Applicable	INR	1.0000	810.0	(20.0)	1,330.1	540.1	-	-	-	(11.9)	-	(11.9)	-	100%	India
74	CurateQ Biologics Private Limited ⁶	Not Applicable	INR	1.0000	1,000.0	(7,113.3)	9,453.9	15,567.1	-	-	-	(5,497.9)	-	(5,497.9)	-	100%	India
75	Eugia Steriles Private Limited (formerly known as Auro Cure Private Limited)	Not Applicable	INR	1.0000	442.5	(10.4)	4,955.3	4,523.2	-	-	-	(3.6)	-	(3.6)	-	100%	India
76	AuroZest Private Limited ⁶	Not Applicable	INR	1.0000	1.0	253.6	520.9	266.3	-	-	-	(10.5)	-	(10.5)	-	100%	India
77	Aurobindo Antibiotics Private Limited	Not Applicable	INR	1.0000	10.0	(0.9)	7.1	-	2.0	-	-	(0.3)	-	(0.3)	-	100%	India
78	Eugia Pharma Specialities Ltd ⁶	Not Applicable	INR	1.0000	6,210.1	5,527.7	35,642.9	28,673.3	4,768.3	-	20,144.1	3,590.0	909.4	2,680.6	-	100%	India
79	Mviyes Pharma Ventures Private Limited	Not Applicable	INR	1.0000	1,502.5	350.9	44.5	0.1	1,809.0	-	-	1.6	-	1.6	-	100%	India
80	Lyflus Pharma Private Limited ⁶	Not Applicable	INR	1.0000	1.0	2,428.7	11,552.3	9,122.7	-	-	-	(111.9)	-	(111.9)	-	100%	India
81	Quile Pharma Private Limited ⁶	Not Applicable	INR	1.0000	1.0	675.9	1,515.4	838.6	-	-	-	(29.7)	-	(29.7)	-	100%	India

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82	Eugia SEZ Private Limited (formerly Wytelis Pharma Private Limited)	Not Applicable	INR	1.0000	40.0	(411.1)	4,062.9	4,434.0	-	-	2,607.8	(491.3)	(48.0)	(443.4)	-	100%	India
83	Auro vaccines Private Limited ⁹	Not Applicable	INR	1.0000	1.0	123.4	3,296.6	3,172.2	-	-	-	(112.2)	-	(112.2)	-	100%	India
84	GLS Pharma Limited ⁶	Not Applicable	INR	1.0000	12.0	179.9	442.3	250.3	-	-	273.0	13.7	3.4	10.3	-	51%	India
85	TheraNym Biologics Private Limited ⁷	Not Applicable	INR	1.0000	1.0	-	1.0	-	-	-	-	-	-	-	-	100%	India

- The Financial Statements of these entities are consolidated in Aurovitans Nederland B.V
- Aurobindo Pharma Ukraine LLC there were no activity during the financial year.
- Auro Steriles LLC there were no activity during the financial year.
- Eugia Injectable Inc was closed w.e.f 26 April 2022 and there were no activity during the period.
- Auro PR I LLC merged with Auro PR Inc w.e.f. 22 May, 2022.
- GLS Pharma Limited was acquired on 17 August, 2022, results given are from the date of acquisition.
- TheraNym Biologics Private Limited was incorporated on 22 September, 2022.
- PT Aurogen Pharma Indonesia was incorporated on 1 July 2022 results given are from the date of incorporation.
- Reserves & Surplus includes equity portion of Compound financial instrument and financial commitment.

*The financial year of these companies end on 31 December. However, the results given are as of 31 March 2023
 *The financial year of these companies end on 31 December. However, the results given are as of 31 March 2022
 **The financial year of these companies end on 30 June. However, the results given are as of 31 March 2022

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

K. Nityananda Reddy
 Vice Chairman & Managing Director
 DIN: 01284195

Dr. M. Sivakumaran
 Director
 DIN-01284320

Place: Hyderabad
 Date: May 27, 2023

B. Adi Reddy
 Company Secretary
 Membership No. 13709



PART "B": ASSOCIATES AND JOINT VENTURES

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

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

Name of Joint Venture / Associate	Novagen Pharma (Pty) Ltd	Purple Bellflower (Pty) Ltd	Tergene Biotech Limited (formerly known as Tergene Biotech Pvt. Ltd)	Raidurgam Developers Limited	Luoxin Aurovitas Pharm (Chengdu) Co. Ltd*	Novagen BBEE Invest Co (Pty) Ltd	NVNR (Ramannapet I) Power Plant Private Limited	NVNR (Ramannapet II) Power Plant Private Limited
1. Latest audited Balance Sheet Date	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023**	March 31, 2023**
2. Shares of Associate / Joint Venture held by the company on the year end	9,27,236	480	90,40,000	40,00,000	Not applicable	245	5,20,000	5,20,000
Amount of Investment in Associate / Joint Venture	76.2	-	90.4	40.0	805.8	0.9	5.2	5.2
Extent of Holding %	50.00%	48.00%	80.00%	40.00%	30.00%	24.50%	26.00%	26.00%
3. Description of how there is significant influence	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Associate	Associate
4. Reason why the Associate / Joint Venture is not consolidated	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
5. Networth attributable to Shareholding as per latest audited Balance Sheet	(174.1)	(0.10)	(287.6)	(215.5)	760.5	0.3	(0.5)	(2.7)
6. Profit for the year	(42.4)	2.5	(43.7)	4.5	(41.5)	-	(5.9)	(6.1)
ii. Not Considered in Consolidation	(42.4)	2.7	(10.9)	6.7	(96.8)	-	(16.7)	(17.4)

*The financial year of these companies end on 31 December. However, the results given are as of 31 March 2023

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

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

K. Nityananda Reddy
Vice Chairman & Managing Director
DIN: 01284195

Dr. M. Sivakumaran
Director
DIN-01284320

Place: Hyderabad
Date: May 27, 2023

Santhanam Subramanian
Chief Financial Officer

B. Adi Reddy
Company Secretary
Membership No. 13709

FORM NO. AOC-2

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

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

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

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

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

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

Sl. No.	Name of the related party	Nature of relationship	Nature of contracts / arrangements / transactions	Duration of the Contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount (₹ In Millions)
1	Aurobindo Pharma USA Inc., USA	Wholly owned subsidiary	Sale of products	on going	Based on transfer pricing guidelines	33,879.0
			Reimbursement of expenses received	on going	Based on transfer pricing guidelines	58.0
			Purchase of property, plant and equipment	on going	Based on transfer pricing guidelines	18.4
			Purchase of intangible assets	on going	Based on transfer pricing guidelines	264.7
			Purchase of samples	on going	Based on transfer pricing guidelines	74.1

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

For and on behalf of the Board

K. Rangunathan
Chairman
DIN: 00523576

Date: May 27, 2023
Place: Hyderabad



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

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

(A) CONSERVATION OF ENERGY-

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

- Installation and replacement of steam traps to avoid steam loss and improving the condensate recovery accrued the savings of 35.60 MT of Coal in Unit 1.
- Installation of Variable Frequency Drives (VFD's) to Cooling Tower fans to reduce the speed of the Cooling Tower fans and Cooling Tower water circulation pumps during the low load operations accrued the savings of 0.319 Lakh kWh in Unit 1.
- Installation of Variable Frequency Drives (VFD's) to Process Hot Water Circulation Pumps to reduce the speed during low load operations accrued the savings of 0.003 Lakh kWh in Unit 1.
- Installation of Oil Free Refrigeration (OFR) system in Chilling plants for improving efficiency. The accumulated energy savings are 7.60 lakh kWh in Unit 1
- Implementation of Variable Frequency Drive (VFD) to Vapor Absorption Machine (VAM) secondary pump to operate at optimum load during low load operation accrued the savings of 0.170 Lakh kWh in Unit 1.
- Avoided the energy intensive chilling plants by replacing with energy efficient water-cooled screw chiller accrued the savings of 7.670 Lakh kWh in Unit 5.
- Increasing the chilled brine outlet temperature of evaporator with respect to process requirement accrued the savings of 0.074 Lakh kWh in Unit 5.
- Avoiding the partial loading of Air-Cooled Chiller by switching off one circuit & providing regular water washing of air-cooled condenser fins lead to energy savings of 0.398 Lakh kWh in Unit 5.
- Avoided the partial loading of chiller during night times to reduce the energy consumption and operational cost. This measure resulted in energy savings of 0.210 Lakh kWh in Unit 5.
- Cooling Tower Fans Aluminum Blades are replaced with E-Glass Epoxy Coated FRP Fan Blades resulted in 0.288 Lakh kWh in Unit 5.
- Increased the chiller outlet set point to reduce the power consumption and operating cost of the chiller. This measure accrued the savings of 0.540 Lakh kWh in Unit 6.
- Installation of Pressure Powered Pump Package Unit (PPPPU) to recover condensate and effective transfer to Boiler make-up tank has resulted in savings of 25 MT of Coal in Unit 6.
- Lower standard motors are replaced with higher standard energy efficient motors for Air Handling Units (AHU's) resulted 0.144 Lakh kWh in Unit 9.
- Low standard motors are replaced with Energy Efficient motors in 8 TPH and 12 TPH Boiler FD Fans resulted 0.062 Lakh kWh in Unit 9.
- Implementation of Variable Frequency Drives (VFD's) for Process RT Pumps to operate at optimum load during low load operations resulted in 0.088 Lakh kWh in Unit 9.
- Replacement of energy intensive pump with Energy Efficient pump for Effluent transfer to MEE resulted in 0.011 Lakh kWh in Unit 9.
- Adopted the timer ON OFF technology to Air Handling Units (AHU's) to avoid operation of no load and reduce the human intervention resulted in 1.701 Lakh kWh in Unit 9.
- Conducting the Maintenance of Steam Traps and purging type hot water tanks are replaced with condenser/ coil type hot water tanks to recover the steam condensate. These measures resulted in coal savings of 1206.5 MT in Unit 11.
- Replacement of over-sized Cooling Water Circulation Pump with optimum size pump for Nitrogen Plants to reduce the energy consumption, this measure resulted in 0.097 Lakh kWh in Unit 11.
- Avoiding the Flow Balancing Pump from the Chilled Water Circuit and providing common return header to avoid extra pump operation accrued the savings of 0.112 Lakh kWh in Unit 11.
- Cooling Tower Fans Aluminum Blades are replaced with E-Glass Epoxy Coated FRP Fan Blades resulted in 0.031 Lakh kWh in Unit 11.
- Implementation of Variable Frequency Drive (VFD) to Chilled water secondary pumps to operate at optimum load during low load operation accrued the savings of 1.179 Lakh kWh in Unit 1, 5 & 9.
- Installation of Oxygen Analyzer in Boilers for optimizing the excess air in flue gas thereby reduced coal consumption and improved Steam to Fuel Ratio resulted in savings of 200 MT of coal in Unit 9 & 11.

- Implementation of Water-Cooled Screw chillers by replacing energy intensive reciprocating chillers accrued the savings of 44.475 Lakh kWh in Unit 5,6,11 & 11u.
- Implementation of vertical inline pumps by replacing the old energy intensive pumps resulted in the savings of 6.695 Lakh kWh in Unit 1, 5 & 6.
- Utility pumps at Unit 15 are provided with VFDs resulting in savings of 1.9 Lakh units per annum.
- Automatic ON/OFF control provided for portable chillers of packing lines at Unit 15. Apart from minimizing breakdowns in packing lines this initiative has saved about 2.34 lakh units annually.
- At unit 15, the new water plant rejects water and Block – B condensate is recycled for gardening and cooling towers. This has saved about 9600KL water per year.
- At Unit 6 VFDs installed in injectable cool zone area and warehouse area to control AHU's motor speed resulting in the annual energy savings to the tune of 68000 units
- Existing 112W lights are replaced by high energy savings 60W lights at FG warehouse area in unit 6. This initiative saves 14377 units annually.

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

- Executed Long Term Open Access Power Purchase Agreement (PPA) with NVNR Ramannapet-1 of 15 MW Solar Power Plant and NVNR Ramannapet-2 of 15 MW Solar Power Plant for 640 Lakh kWh annually for utilization of solar energy.

(iii) the capital investment on energy conservation equipment.

- During FY22-23, the company invested towards procurement of Energy Efficiency Equipment and adoption of new technologies.
- The company has done an assessment of exploring renewable energy opportunities to increase the share of renewable energy consumption with third party assessment.
- High Volume Low Speed (HVLS) fans provided in Unit 7 at a project cost of about Rs45 Lakhs. It saves 12.28 Lakhs units of power annually.
- 33KV substation is replaced by 132KV with capital expenditure at Unit 7. It saves about ₹0.5 per unit. In 2022-23, this initiative saved on electricity bill. This also resulted in many other benefits like i) distribution

network is under complete control of the company instead of TRANSCO ii) Lesser voltage fluctuations iii) possibility of deemed distribution license for all Aurobindo SEZ units etc.

(B) TECHNOLOGY ABSORPTION

Efforts made towards technology absorption:

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

Advanced analytical capabilities:

The R&D centre has highly competent analysts and fully equipped with advanced analytical instruments which facilitates profiling and characterisation of drug substance and drug products. This enables creating a knowledge base in chemical synthesis, high quality generic formulations and development of complex drug delivery systems.

Sustainability & Green Initiatives:

The company is embracing the principles of green chemistry to minimise the use and generation of hazardous substances.

As part of the green initiative the company has developed alternatives to eliminate the use of Class 2 organic solvents, which helped in preventing the use of hazardous solvents in finished product development.

The company has developed advanced characterization methods in generic product development to prove the equivalency by in vitro methods wherever possible, thereby minimizing the studies involving humans.

Embracing and applying new technologies, the company made sustainable progress in reducing carbon emissions, replacing traditional fuel sources with renewable energy, managing water and waste responsibly, and recycle of non-hazardous waste. Adoption of sustainable packaging techniques and practices increased steadily over the year and strengthen efforts to continue "greening" supply chain.

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

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

In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

Not applicable

Expenditure incurred on Research and development.

Particulars	₹-Millions	
	2021-22	2022-23
Capital	338.1	305.8
Recurring	6,450.8	8,655.6
Total R&D Expenditure	6,788.9	8,961.4
As a % of total gross turnover	5.31%	7.94%

(C) FOREIGN EXCHANGE EARNING AND OUTGO

The foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows:

Foreign Exchange Earned

Particulars	₹-Millions	
	2022-23	2021-22
Exports-FOB	83,703.4	72,862.2
Others	1,779.9	4,382.9
	85,483.3	77,245.1

Foreign Exchange Outgo

Particulars	₹-Millions	
	2022-23	2021-22
Imports-CIF	38,059.8	27,964.7
Others	3,387.5	3,559.0
	41,447.2	31,523.7

For and on behalf of the Board

K. Ragnathan

Chairman

DIN: 00523576

Date: May 27, 2023

Place: Hyderabad

FORM NO. MR-3

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

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

To,
The Members
Aurobindo Pharma Limited
(CIN: L24239TG1986PLC015190)
Plot No.2, Maithrivihar, Ameerpet,
Hyderabad - 500 038

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Aurobindo Pharma Limited (hereinafter referred to as the "Company") for the financial year ended March 31, 2023. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms, and returns filed and other records maintained by the Company and also the information provided, and declarations made by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 (i.e. from April 1, 2022 to March 31, 2023) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- 1) The Companies Act, 2013 (the "Act") and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI ACT"):
 - a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the financial year);
 - d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to the Company during the financial year);
 - e) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 as amended from time to time;
 - f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable to the Company during the financial year);
 - g) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Company during the financial year);
 - h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the financial year).
- 6) Memorandum and Articles of Association of the Company.

I further report that having regard to compliance systems prevailing in the Company and on examination of relevant documents and records in pursuance thereof on test check basis and also on reliance of the management representation letters issued by the respective department heads, the Company has complied with the following Laws as applicable to the Company:

Business Responsibility & Sustainability Report Contd.

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. The Factories Act, 1948 and allied state laws; 2. Telangana Shops and Establishment Act, 1988 and Andhra Pradesh Shops and Establishment Act, 1988; 3. Employees' State Insurance Act, 1948 and the Employees' State Insurance (General) Regulations, 1950; 4. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employees' Provident Funds Scheme, 1952, Employees' Pension Scheme, 1995 and Employee Deposit Linked Insurance Scheme, 1976; 5. The Payment of Bonus Act, 1965 and the Payment of Bonus Rules, 1965; 6. The Contract Labour (Regulation and Abolition) Act, 1970 and the Contract Labour (Regulation and Abolition) Central Rules, 1971; 7. The Payment of Gratuity Act, 1972; 8. The Maternity Benefits Act, 1961; 9. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013; 10. Drugs (Control) Act, 1950; 11. The Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945 and other rules made thereunder; 12. The Narcotic Drugs and Psychotropic Substances Act, 1985; 13. The Food Safety and Standards Act, 2006 and the rules made thereunder; 14. The Indian Boilers Act, 1923 and the Indian Boiler Regulations, 1950 and the Rules framed under the Act; 15. The Inflammable Substances Act, 1952; 16. The Poisons Act, 1919; 17. The Air (Prevention and control of pollution) Act, 1981 and Air (Prevention and control of pollution) Rules, 1982; | <ol style="list-style-type: none"> 18. The Water (Prevention and control of pollution) Act, 1974 and Water (Prevention and control of pollution) Rules, 1975; 19. Environment Protection Act, 1986 and the rules, notifications issued thereunder. <p>I have also examined compliance with the applicable clauses of the following:</p> <ol style="list-style-type: none"> i. Secretarial Standards pursuant to Section 118(10) of the Act, issued by the Institute of Company Secretaries of India; ii. The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited; iii. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. <p>During the period under review, the Company has generally complied with the provisions of the acts, rules, regulations, guidelines, and standards etc., mentioned above.</p> <p>I further report that in the Secretarial Audit report for the year ended March 31, 2022, it was reported that during 2008-09, the Company in the ordinary course of its business, entered into several Licensing and Supply Agreements with Pfizer Inc. ("Pfizer"). The Company has issued a Press Release consistent with the Pfizer Press Release on March 3, 2009 to avoid any conjecture in the market. When things stand as above, some trades in the shares of the Company were undertaken by some of the promoters to consolidate their shareholding in the Company as per the amendments brought in by SEBI to Takeover Code Regulations. However, the above act of promoters has been considered by SEBI as violation of Insider Trading Regulations of SEBI.</p> <p>The contentions of the Company and its promoters were not accepted by the Adjudicating Officer (AO) and on September 23, 2019, an order was passed by the AO and levied a penalty of ₹ 10 million under Section 23 E of SCRA for violation of Clause 36 of the Equity Listing Agreement read with Section 21 of the SCRA and ₹ 10 million under Section 15HB for violation of Regulation 12 (1) read with Clause 3.2.1 of Schedule I of the PIT Regulations, 1992 read with regulation 12 (2) of the PIT Regulations, 2015 and Regulation 12 (2) read with Clause 2.1 of Schedule II of the PIT Regulations, 1992 read with Regulation 12 (2) of the PIT Regulations, 2015 on the Company and ₹ 132 million under Section 15G for violation of Regulations 3 and 4 of PIT Regulations on the promoters/promoter group of the Company</p> |
|--|---|

Thereafter, the Company and the promoters have filed an Appeal before the Securities Appellate Tribunal in the above matter. Meanwhile, the Company and the promoters have made settlement application on October 25, 2019 before SEBI without admitting or denying any violation for settlement of the matter. Accordingly, a meeting with Internal Committee of SEBI was held on February 5, 2020. The SEBI on April 16, 2020 has communicated its acceptance to the settlement proposal of the Company and its promoters. Accordingly, on April 30, 2020 the Company has paid ₹ 22 million and the promoters cumulatively have paid ₹ 198.2 million to SEBI towards settlement amount for settlement of the above matter.

SEBI vide settlement order dated May 6, 2020 disposed of all the enforcement proceedings of SEBI in respect of the aforesaid allegations against the Company and the Promoters and the matter was closed.

However, SEBI on October 23, 2020 informed some of the Promoters that there are some calculation errors in the Settlement amounts and asked them to make good certain amounts for which the said promoters have filed a writ petition before Hon'ble High Court of Telangana, at Hyderabad. The Hon'ble High Court on November 18, 2020 has granted interim relief to the said promoters by way of suspension of the SEBI direction dated October 23, 2020, subject to depositing of around ₹ 17.5 million with SEBI. Accordingly, the said amount was deposited by the Promoters and presently the matter is pending for disposal before the Hon'ble High Court of Telangana, at Hyderabad.

There were no proceedings pending in the above matter against the Company with SEBI.

I further report that:

- a) the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) All the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.
- d) the compliance by the Company of the applicable financial laws like direct and indirect tax laws and maintenance

of financial records and books of accounts has not been reviewed by me since the same have been subject to review by statutory auditors and other professionals.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

I further report that during the period under review:

- 1) The Company has amended the Object Clause of the Memorandum of Association in line with the requirements of the Companies Act, 2013 and also to pursue new business opportunities.
- 2) The Company has amended the Liability Clause of the Memorandum of Association in line with the requirements of the Companies Act, 2013.
- 3) The Company has amended its Articles of the Association in order to align some of the Articles with the provisions of the Companies Act, 2013.
- 4) The Members of the Company have approved to sell and transfer the Company's Non-Antibiotic Division business being operated through its manufacturing plants, viz., Unit I, VIII, IX, XI, XIV and R & D unit 2, along with all the related assets and liabilities including but not limited to movable assets, employees, contracts (including lease deeds), intellectual property other intangible assets, licenses, permits, consents, approvals, trade receivable, inventory, trade payables and insurance policies ("API Non-Antibiotic Division") to Apitoria Pharma Private Limited (formerly known as Auro Pharma India Private Limited), a wholly owned subsidiary of the Company. However, it excludes the land and buildings pertaining to the said divisions and the same shall be leased by the Company to Apitoria Pharma Private Limited on an arm's length basis.
- 5) The Company with an aim to expand its foothold in Oncology business in the domestic market, has acquired 51% shareholding of GLS Pharma Limited with an investment of around ₹ 28.05 Crores. After the said acquisition, GLS Pharma Limited has become a subsidiary of the Company.

A. Mohan Rami Reddy
Practicing Company Secretary
FCS No: 2147 II COP No: 16660
UDIN: F002147E000400325

Date: May 27, 2023
Place: Hyderabad

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

Business Responsibility & Sustainability Report Contd.

Annexure

To,
The Members
M/s. Aurobindo Pharma Limited
(CIN: L24239TG1986PLC015190)
Plot No.2, Maithrivihar, Ameerpet,
Hyderabad- 500 038

My report of even date is to be read along with this letter.

- Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices followed by me provide a reasonable basis for my opinion.
- I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
- The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
- The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: May 27, 2023
Place: Hyderabad

A. Mohan Rami Reddy
Practicing Company Secretary
FCS No: 2147 II COP No: 16660
UDIN: F002147E000400325

Secretarial Audit Report of APL Healthcare Limited, a material unlisted subsidiary pursuant to Regulation 24A (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

FORM NO. MR-3

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

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

To
The Members
APL Healthcare Limited
(CIN: U24239TG2006PLC052053)
Plot No.2, Maithrivihar, Ameerpet,
Hyderabad - 500 038, Telangana.

I have conducted the Secretarial Audit of the compliance with the applicable statutory provisions and the adherence to good corporate practices by APL Healthcare Limited (hereinafter referred to as the 'Company') for the financial year ended 31st March 2023. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided and declarations made by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2023 (i.e. from 1st April 2022 to 31st March 2023) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (Not Applicable to the Company)
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;

- The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (Not Applicable to the Company)
- Memorandum and Articles of Association of the Company.

I further report that having regard to compliance systems prevailing in the Company and on examination of relevant documents and records in pursuance thereof on test check basis and also on reliance of the management representation letters issued by the respective department heads, the Company has complied with the following Laws as applicable to the Company:

- Factories Act, 1948 and allied state Laws;
- Telangana Shops and Establishment Act, 1988 and A.P. Shops and Establishment Act, 1988;
- Employees' State Insurance Act, 1948 and the Employees' State Insurance (General) Regulations, 1950;
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees' Provident Funds Scheme, 1952;
- The Payment of Bonus Act, 1965 and the Payment of Bonus Rules, 1965;
- The Contract Labour (Regulation and Abolition) Act, 1970 and the Contract Labour (Regulation and Abolition) Central Rules, 1971;
- The Payment of Gratuity Act, 1972
- The Maternity Benefits Act, 1961
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- Drugs (Control) Act, 1950
- The Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945 and other rules made thereunder;

Business Responsibility & Sustainability Report Contd.

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| <p>12. The Narcotic Drugs and Psychotropic Substances Act, 1985;</p> <p>13. The Food Safety and Standards Act, 2006</p> <p>14. The Indian Boilers Act, 1923 and the Indian Boiler Regulations, 1950 and the Rules framed under the Act.</p> <p>15. The Inflammable Substances Act, 1952</p> <p>16. The Poisons Act, 1919</p> <p>17. The Air (Prevention and control of pollution) Act, 1981 and Air (Prevention and control of pollution) Rules, 1982</p> <p>18. The Water (Prevention and control of pollution) Act, 1974 and Water (Prevention and control of pollution) Rules, 1975</p> <p>19. Environment Protection Act, 1986 and the rules, notifications issued thereunder.</p> | <p>d) The compliance by the Company of the applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed by me since the same have been subject to review by statutory auditors and other professionals.</p> <p>I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.</p> <p>I further report that during the audit period the Company has transacted following activities-</p> <p>a) The Company with the approval of the CCD holders and Members of the Company has changed the existing terms of 22,50,00,000, Compulsorily Convertible Debentures (CCDs) of ₹ 10/- each to 22,50,00,000, Optionally Convertible Debentures (OCDs) of ₹ 10/- each, which are held in the Company by Auronext Pharma Private Limited. Subsequently, at the request of Auronext of all these OCDs were redeemed by the Company.</p> <p>Aurobindo Pharma Limited, the Holding Company continues to hold 1,05,00,000, Compulsorily Convertible Debentures (CCDs) of ₹10/-each in the Company.</p> <p>b) The members of the Company has approved increasing the borrowing limits of the Company under Section 180(1) (c) of the Companies Act, 2013 and creation of securities thereon under Section 180(1) (a) of the Companies Act, 2013 up to ₹4,000 crores.</p> <p>c) The members of the Company have approved under Section 186 and 185 of the Companies Act, 2013 to provide security by way of debt shortfall undertaking in connection with financial assistance of ₹ 1250 crores by Lyfius Pharma Private Limited, a fellow subsidiary of the Company.</p> |
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I have also examined compliance with the applicable clauses Secretarial Standards issued by the Institute of Company Secretaries of India;

During the period under review the Company has generally complied with the provisions of the acts, rules, regulations, guidelines, and standards etc., mentioned above.

I further report that

- a) The Board of Directors of the Company is duly constituted and no changes in the Board of Directors took place during the period under review.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) All the decisions at Board Meetings and Committee Meetings are carried out as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

Date: May 25, 2023
Place: Hyderabad

A. Mohan Rami Reddy
Practicing Company Secretary
FCS No: 2147 II COP No: 16660
UDIN: F002147E000374706

Annexure

To
The Members
APL Healthcare Limited
(CIN: U24239TG2006PLC052053)
Plot No.2, Maithrivihar, Ameerpet,
Hyderabad- 500 038, Telangana.

My report of even date is to be read along with this letter.

- Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices followed by me provide a reasonable basis for my opinion.
- I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
- The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
- The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: May 25, 2023
Place: Hyderabad

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

ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.]

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

The CSR policy, which encompasses the Company’s philosophy for defining its social responsibility and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large. This policy shall apply to all CSR initiatives and activities taken up by the Company, for the benefit of society as per approach and direction given by the board. This policy and the operational guidelines are subject to and pursuant to the provisions of the Companies Act, 2013 (Act) and the Schedules, rules and regulations made thereunder.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. K. Nithyananda Reddy	Chairman / Executive Director	5	5
2	Mr. K. Raghunathan	Member / Independent Director	5	5
3	Dr. M. Sivakumaran	Member / Executive Director	5	4
4	Mr. P. Sarath Chandra Reddy	Member / Non-executive Director	5	2
5	Mrs. Savita Mahajan	Member / Independent Director	5	5
6	Mrs. Avnit Bimal Singh	Member / Independent Director	5	5
7	Mr. Girish Paman Vanvari	Member / Independent Director	5	5

3. The web-link(s) where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company.

Composition of the CSR committee is available on the Company’s website at:

<https://www.aurobindo.com/investors/disclosures-under-regulation-46/board-committees#csr>

The CSR Policy is available on the Company’s website at:

<https://www.aurobindo.com/api/uploads/CSR-policy.pdf>

The various CSR projects and activities approved by the Board for the financial year 2023-24 is available on the Company’s website at:

<https://www.aurobindo.com/sustainability/annual-action-plan/>

4. The executive summary along with web-link(s) 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:

The Company takes cognizance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and has initiated impact assessment of CSR projects through independent agencies. The reports are available on the Company’s website at <https://www.aurobindo.com/sustainability/impact-assessment-reports-csr-projects/>

Particulars	Impact assessment study – Summary (2022-23)
Name of Independent agency conducting Impact assessment	Participatory Rural Development Initiatives Society (PRDIS), Hyderabad
Scope of Project	Participatory Rural Development Initiatives Society (PRDIS), Hyderabad Poverty Learning Foundation, Hyderabad Establishment of Sundarayya Skill Development Centre, Vaddeswaram village, Tadepalli Mandal, Guntur District, Andhra Pradesh.
Key highlights of Impact (Through evaluation criteria: Relevance, Coherence, Effectiveness, Efficiency, Impact and Sustainability)	<p>Infrastructure Development in 20 Schools and 2 Colleges in Pileru & K.V. Palli mandals of Chittoor district, Andhra Pradesh.</p> <ul style="list-style-type: none"> Increase in enrolment rate (30%) of children/ students in the schools and colleges. Better educational performance in terms of increased pass rate (40%) and increased exam score (20%). Improved teaching efficiency of the staff due to better infrastructure. Increased hygiene and health due to gender specific toilets and purified drinking water facilities. Parents get motivated to send their children to government schools. <p>Improvement in quality of training due to best facilities created in skill development centre.</p> <ul style="list-style-type: none"> An increase in knowledge levels & skills of trainees as per structured survey. Improved employment opportunities (63% employed and 37 % self-employed) due to acquired skills and thus an increase in their income levels. <p>Establishment of Jwala Gutta Academy of Excellence, Hyderabad to equip with Gym and other related infrastructure (Co-sponsor), Telangana.</p> <ul style="list-style-type: none"> Increased aspirations among 83% of the trainees, particularly senior-level trainees. Due to regular mentoring and monitoring and individual-specific attention by trainers, it is giving positive trends in building endurance and strength for their game, thus improving confidence levels of trainees. The gym’s impact is visible as most trainees (78%) have explained the change in their fitness - flexibility and muscle strength and reduced risk of sports injuries.
Recommendations	<ul style="list-style-type: none"> To explore convergence opportunities with identified state, national level bodies like AP State Skill Development Corporation, National Bank for Agriculture and Rural Development (NABARD), DDU-GKY of Govt of India etc. To conduct rural campaigns in surrounding areas for effective participation and improved enrolment. To introduce new courses in Farm, Non-Farm and other sectors based on skill gap analysis and employment potential. To explore funding opportunities for necessary operational costs to ensure sustainability of the academy. Sustainability can be further assessed as the trained players enter the national level competitions, thus creating more visibility and growth for the academy.
5. (a) Average net profit of the Company as per sub-section (5) of section 135 :	₹ 27,721.93 million
(b) Two percent of average net profit of the Company as per sub-section (5) of section 135 :	₹ 554.44 million
(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years :	₹ 8.47 million (Surplus amount is the interests realized on unspent CSR funds of previous years lying in the bank – ₹ 5.82 million+₹ 2.65 million)
(d) Amount required to be set-off for the financial year, if any:	Nil
(e) Total CSR obligation for the financial year [(b)+(c) -(d)] :	₹ 562.91 million



Business Responsibility & Sustainability Report Contd.

6. (a) **Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects):** ₹ 341.67 million
- (b) **Amount spent in Administrative Overheads:** ₹ 25.15 million
- (c) **Amount spent on Impact Assessment:** ₹ 1.05 million
- (d) **Total amount spent for the Financial Year [(a)+(b) + (c)]:** ₹ 367.87 million
- (e) **CSR amount spent or unspent for the Financial Year:**

Total Amount Spent for the Financial Year. (₹ in millions)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135 (5).		
	Amount (₹ in millions)	Date of transfer	Name of the Fund	Amount	Date of transfer
367.87	186.57	27.04.2023	-	-	-

Note: Out of the surplus amount of ₹ 8.47 million, an amount of ₹ 1.5 million spent during the financial year 2022-23 and balance amount of ₹ 6.97 million is lying in the respective unspent CSR Accounts of previous years to be spent in succeeding financial years.

The total amount spent for CSR activities during the financial year 2022-23 was ₹ 762.94 million which consists of ₹ 367.87 million spent from the total CSR obligation for the financial year 2022-23, ₹ 391.86 million spent from the unspent CSR amount for the previous years and ₹ 3.21 million spent out of the interest received on the CSR unspent amounts of previous financial years transferred to separate Bank accounts.

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

Sl. No.	Particular	Amount (₹ in million)
(i)	Two percent of average net profit of the company as per section 135 (5)	554.44
(ii)	Total amount spent for the Financial Year	367.87
(iii)	Excess amount spent for the financial year [(ii)-(i)]	--
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	8.47
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	--

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in million)	Balance amount in Unspent CSR Account under section 135(6) (₹ in million)	Amount spent in the reporting Financial Year (in ₹ in million)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135 (5), if any.		Amount remaining to be spent in the succeeding financial years. (in ₹ in million.)	Deficiency, if any
					Amount (₹ in million)	Date of transfer		
1.	2020-21	392.20	154.33	140.99	---	---	13.34	---
2.	2021-22	272.40	272.40	250.87	---	---	21.53	---
3.	2022-23	186.57	186.57	---	---	---	186.57	---
	TOTAL	851.17	613.30	391.86	---	---	221.44	---

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No
9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135:

Since the projects are of long-term nature, the total amount committed to some of the projects was not spent during the year but such unspent amount related to on-going projects has been transferred to a separate Unspent CSR Account opened for this purpose by the Company.

Sd/-

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

Sd/-

K. Nithyananda Reddy
Chairman CSR Committee
DIN: 01284195

Place: Hyderabad
Date: May 27, 2023

ANNEXURE- 6

INFORMATION PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year

Sl. No.	Name & designation	Ratio
a	Mr. K. Nithyananda Reddy, Vice Chairman & Managing Director	59: 1
b	Dr. M. Sivakumaran, Whole-time Director	37: 1
c	Mr. M. Madan Mohan Reddy, Whole-time Director	83: 1
d	Mr. P. Sarath Chandra Reddy, Director*	13: 1

* Mr. P. Sarath Chandra Reddy ceased to be a Whole-time Director of the Company w.e.f. November 12, 2022. However, he is continuing as a director on the Board of the Company.

(ii) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager in the financial year

Sl. No.	Name & category	Increment Percentage
a	Mr. K. Nithyananda Reddy, Vice Chairman & Managing Director	37.53
b	Dr. M. Sivakumaran, Whole-time Director	0.03
c	Mr. M. Madan Mohan Reddy, Whole-time Director	0.01
d	Mr. P. Sarath Chandra Reddy, Whole-time Director	0.00
e	Mr. Santhanam Subramanian, Chief Financial Officer	16.24
f	Mr. B. Adi Reddy, Company Secretary	7.40

(iii) The percentage increase in the median remuneration of employees in the financial year was 5.69%

(iv) The number of permanent employees on the rolls of the Company as on March 31, 2023, was 15,690.

(v) Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The percentage increase in the salaries of the employees other than managerial personnel in the last financial year is 9.91% as against 6.21% increase in the salaries of managerial persons. The increase in salary in case of managerial persons is mainly on account of revision in the salary.

(vi) The remuneration paid to Key Managerial Persons is as per the Remuneration Policy of the Company.

For and on behalf of the Board

K. Ragunathan
Chairman
DIN: 00523576

Place: Hyderabad
Date: May 27, 2023

Report on Corporate Governance

In accordance with the provisions of Regulation 34(3) read with Schedule V and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Directors have pleasure in presenting the Company's Report on Corporate Governance for the financial year 2022-23.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Aurobindo has always attached great importance to good and responsible corporate governance. This is based on the principle that the Company belongs to all the stakeholders and the corporate objective is to maximize shareholder value ethically and legally. Efforts are therefore made to raise the level of transparency, trust and confidence of stakeholders in the way the Company is run. The team at Aurobindo operates as a trustee on behalf of every shareholder - large or small.

The Company will continue to strive to be a wealth creator to meet stakeholders expectations and be a responsible citizen in its societal commitments. In the achievement of its goals,

the Company utilizes its resources with accountability and professionalism to meet the needs of customers and deliver on their expectations; meet the commitments with vendors, partners, employees, governments and the community.

BOARD OF DIRECTORS

The Board of Directors along with its Committees, guides, directs and oversees the management and protects long term interests of shareholders, employees and the society, at large. The Board also ensures compliance of the applicable provisions and code of ethical standards wherever the Company and its subsidiaries are present.

Size and Composition of the Board

As on March 31, 2023, the Board consists of ten Directors, three of them are Executive and seven are Non-executive Directors, including five independent of which two are women directors. Your Company has taken all the necessary steps to strengthen the Board with the optimum combination of executive and non-executive/ independent directors.

Composition of Board of Directors as on March 31, 2023

Name	Category	Number of Board Meetings attended	Attendance at the last AGM held on August 2, 2022	Number of Directorships in other companies*	Number of Committee positions held in other companies**		No. of shares of ₹ 1 each held in the Company
					Chairman	Member	
Mr. K. Ragunathan	Non-executive Independent Chairman	5	Yes	7	---	2	---
Mr. K. Nithyananda Reddy	Promoter and Executive	5	Yes	6	---	---	25,359,572
Dr. M. Sivakumaran	Executive	4	Yes	7	---	2	14,491,360
Mr. M. Madan Mohan Reddy	Executive	4	Yes	10	---	---	2,010
Mr. P. V. Ramprasad Reddy	Promoter and Non-Executive	5	Yes	2	---	---	18,000,000
Mr. P. Sarath Chandra Reddy#	Non-executive Non-Independent	3	Yes	6	---	---	---
Dr. (Mrs.) Avnit Bimal Singh	Non-executive Independent	5	Yes	---	---	---	---
Mrs. Savita Mahajan	Non-executive Independent	5	No	3	1	---	---
Mr. Girish Paman Vanvari	Non-executive Independent	5	Yes	6	5	6	---
Mr. Santanu Mukherjee##	Non-executive Independent	1	NA	8	5	3	---

*The directorships are in the companies incorporated under the Companies Act, 1956/2013.

**Includes only Audit and Stakeholders Relationship Committees (excluding private limited companies, foreign companies, and companies under Section 8 of the Companies Act 2013 or Section 25 of the Companies Act 1956).

#Mr. P. Sarath Chandra Reddy ceased to be a Whole-time Director of the Company w.e.f. November 12, 2022. However, he is continuing as a director on the Board of the Company

##Mr. Santanu Mukherjee has been appointed as an Independent Director w.e.f. February 9, 2023, and he attended all the meetings held from the date of his appointment.

NOTES:

1. Leave of absence was granted on request to those Directors who could not attend the meeting(s) due to their pre-occupations.
2. None of the Directors of the Company is a director in other listed entity(ies) other than:

Mr. Girish Vanvari who is an independent director in Tarsons Products Ltd., Himadri Speciality Chemical Ltd., RateGain Travel Technologies Ltd., and Kolte-Patil Developers Ltd.

Mr. Santanu Mukherjee who is an Independent director in Suven Life Sciences Limited, Sumedha Fiscal Services Limited, Rainbow Children's Medicare Limited and Bandhan Bank Limited.

Ms. Savita Mahajan who is Independent Director in Avanse Financial Services Limited (Debt-listed Company).

3. None of the Non-Independent Directors of the Company are Independent Directors of the company(ies) where the Independent Directors of the Company are Non-Independent Directors or vice versa.
4. None of the Directors hold Directorships in more than 10 public companies.
5. Video/teleconferencing facilities are also used to enable Directors travelling/residing abroad or at other locations, to participate in the meetings of Board and Committees.
6. During the financial year 2022-23, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

Meeting of Independent Directors

During financial year 2022-23, one meeting of the Independent Directors was held on March 27, 2023. All the five Independent Directors of the Company attended the meeting. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of executive directors and non-executive directors.

The Board periodically reviews the compliance reports of all laws applicable to the Company.

Number of Meetings of the Board

During the financial year 2022-23, five Board meetings were held on the following dates and the maximum gap between any two consecutive meetings did not exceed one hundred and twenty days.

Date of Meeting	Board Strength	Number of Directors Present
May 30, 2022	9	8
June 17, 2022	9	8
August 11, 2022	9	9
November 12, 2022	9	8
February 9, 2023	10	9

Disclosure of relationships between directors inter-se

Mr. P. Sarath Chandra Reddy, Director is son of Mr. P.V. Ramprasad Reddy, Director, and as such they are related to each other as defined under Section 2(77) of the Companies Act, 2013. Other than Mr. P. Sarath Chandra Reddy and Mr. P. V. Ramprasad Reddy, none of the Directors are related to any other Director.

Details about familiarization program

Senior management personnel of the Company make presentations to the Board Members on periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives etc., and seek their opinions and suggestions on the same. Also, the Directors are briefed on their specific responsibilities and duties that may arise from time to time. Any new Director who joins the Board is presented with a brief background of the Company and its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management Personnel and the Code of Conduct for Prevention of Insider Trading, Policy on Related Party Transactions, Policy on Remuneration, Policy on material subsidiaries, Whistle Blower Policy, Risk Management Policy, Corporate Social Responsibility Policy, etc.

The details of the familiarization program are placed on the Company's website at: https://www.aurobindo.com/api/uploads/disclosure_under_regulation/FamiliarizationProgramme-2022-23.pdf

Details of skills / expertise / competence of the Board of Directors:

Name	Category	Skills/ Expertise/ Competence
Mr. K. Rangunathan	Non-executive Independent Chairman	He is a Chartered Accountant and has rich experience in accounting, management, strategy, etc.
Mr. K. Nithyananda Reddy	Promoter and Executive	He has expertise in manufacturing technology and he oversees the production planning and provides guidance in effective utilisation of capacities.
Dr. M. Sivakumaran	Executive	He has more than four decades of experience in the pharmaceutical industry and is currently responsible for the technological evolution of the Company. He looks after research and development, new product development and total quality management.
Mr. M. Madan Mohan Reddy	Executive	Apart from general management, he has rich experience in regulatory affairs of the pharma industry.
Mr. P. V. Ramprasad Reddy	Promoter and Non-Executive	Focus on strategy and future plans, identification of key areas for growth, acquisitions, consolidation, etc.
Mr. P. Sarath Chandra Reddy	Non-Executive	His core areas of expertise include procurement, logistics, clinical trials, trading and information technology.
Dr. (Mrs.) Avnit Bimal Singh	Non-executive Independent	She is a Medical Practitioner and a Senior Obstetrician / Gynecologist based at Hyderabad and adds value by identifying new and current trends in medication and relevant areas.
Mrs. Savita Mahajan	Non-executive Independent	Mrs. Savita Mahajan is the former Deputy Dean of the Indian School of Business. She was associated with the ISB for 14 years, since its inception in 2001, and was responsible for building its second campus at Mohali, Punjab, as its CEO. She has rich experience in overall management, organisation, etc
Mr. Girish Paman Vanvari	Non-executive Independent	He has around three decades of consulting experience and he is the Founder of Transaction Square – a Tax, Regulatory and Business Advisory Firm. Prior to his entrepreneurial venture, Mr. Girish had a 13-year stint with KPMG wherein he was the National Leader for Tax at KPMG India. Prior to KPMG, Mr. Girish was at Arthur Andersen for over a decade
Mr. Santanu Mukherjee	Non-executive Independent	He is the former Managing Director of State Bank of Hyderabad. He has around four decades of experience in the field of banking, finance, risk management, etc., in various capacities.

Statement on Declaration by Independent Directors

Mr. K. Rangunathan, Dr.(Mrs.) Avnit Bimal Singh Mrs. Savita Mahajan, Mr. Girish Paman Vanvari and Mr. Santanu Mukherjee are the Independent Directors on the Board of the Company as on March 31, 2023. All the Independent Directors have given their respective declarations under Section 149 (6) and (7) of the Companies Act, 2013 and the Rules made thereunder and SEBI Listing Regulations. The Board of Directors, based on the declaration(s) received from the Independent Directors, have verified the veracity of such declarations and confirm that the Independent Directors fulfill the conditions of independence specified in the SEBI Listing Regulations and the Companies Act, 2013.

As required by SEBI Listing Regulations, a certificate obtained from a Company Secretary in Practice that none of the directors on the Board of the Company has been debarred or disqualified

from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority, is attached to this Report as **Annexure-A**.

Further, Annual Secretarial Compliance Report issued by the Company Secretary in Practice pursuant to Circular dated February 8, 2019 issued by SEBI is also attached to this Report as **Annexure-B**.

Details of Directors proposed for appointment / reappointment at the Annual General Meeting:

Dr. M. Sivakumaran and Mr. P. Sarath Chandra Reddy will retire by rotation at this Annual General Meeting and being eligible, seek reappointment.

Report on Corporate Governance Contd.

AUDIT COMMITTEE

The scope and function of the Audit Committee is to regularly review the internal control systems and procedures, accounting policies and other matters that protect the interest of the stakeholders, ensure compliance with the laws of the land that are applicable to the Company, and monitor with a view to provide effective supervision of the management's process, ensure accurate, timely and proper disclosures, transparency, integrity and quality of financial reporting. The composition, procedures, powers and role/functions of the Audit Committee constituted by the Company comply with the requirements of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of the Companies Act, 2013.

Role of Audit Committee

The terms of reference of Audit Committee as approved by the Board and amended from time to time includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Review, with the management, the annual financial statements and Auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Qualifications in the draft audit report;
- Review, with the management, the quarterly financial statements before submission to the Board for approval;
- Review, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds

utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters.
- Review, with the management, performance of statutory and internal auditors, adequacy of the internal financial control systems;
- Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Examine into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e. the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- Carry out any other function as is mentioned in the terms of reference of the Audit Committee under Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations and Companies Act, 2013.

To review:

- Management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the audit committee), submitted by management;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses; and the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).
- Adequacy of internal control systems and the Company's statement on the same prior to endorsement by the Board, such review to be done in consultation with the management, statutory and internal auditors;
- Reports of Internal Audit and discussion with internal auditors on any significant findings and follow-up thereon;
- System for storage, retrieval, security etc. of books of account maintained in the electronic form;
- The functioning of the Whistle Blower mechanism in the Company.
- Review the utilization of loans and or advances from investment by the holding company in the subsidiary(ies).
- Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015

Composition and other details of Audit Committee

The Audit Committee comprises of three non-executive directors, all of them being independent directors. The heads of finance & accounts, internal auditors and the representative of the statutory auditors are permanent invitees to the meetings of the Audit Committee where the financial results are considered, apart from other departmental heads for reviewing the compliance of applicable laws and provisions. The Company Secretary is the Secretary to the Committee. The minutes of Audit Committee meetings are placed at every Board meeting for its perusal and noting.

Mr. Girish Paman Vanvari, Non-Executive, Independent Director having expertise in accounting and financial management is Chairman of Audit Committee. Mr. K. Ragunathan and Mrs. Savita Mahajan are the other members of the Committee as on March 31, 2023.

Meetings and attendance during the financial year

During the financial year, the Audit Committee met Six times on May 30, 2022, June 17, 2022, August 11, 2022, November 12, 2022, February 9, 2023 and March 27, 2023.

The attendance at the Audit Committee meetings during the financial year 2022-23 is as under:

Name of the Committee Member	No. of Meetings held during tenure	Attended
Mr. Girish Paman Vanvari	6	6
Mr. K. Ragunathan	6	6
Mrs. Savita Mahajan	6	6

Further, the Board of Directors of the Company re-constituted the Audit Committee w.e.f. April 1, 2023 as under:

1. Mr. Girish Paman Vanvari – Chairman
2. Mr. K. Ragunathan – Member
3. Mr. Santanu Mukherjee – Member

NOMINATION AND REMUNERATION / COMPENSATION COMMITTEE

Brief description of terms of reference of the Nomination and Remuneration/Compensation Committee

The terms of reference of Nomination and Remuneration / Compensation Committee as approved by the Board and amended from time to time includes the following:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel, Senior Management and other employees
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down in this Policy
- Recommend to the Board, appointment, and removal of Director, KMP and Senior Management Personnel.
- Formulation of criteria for evaluation of Independent Directors and the Board and whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

Report on Corporate Governance Contd.

- Formulate, implement, and administer Employee Stock Option Scheme(s) of the Company and grant stock options to the employees.
- Devising a policy on Board diversity.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment, or modification, as may be applicable.

To perform such other functions as may be necessary or appropriate for the performance of its duties. Any other matter the Board may decide from time to time.

Composition and other details of Nomination and Remuneration/Compensation Committee

The composition of the Nomination and Remuneration/Compensation Committee comprises of three non-executive directors, all of them are independent directors.

Dr. (Mrs.) Avnit Bimal Singh is the Chairperson of the Committee and Mr. K. Ragunathan and Mr. Girish Paman Vanvari are the other Members of the Committee as on March 31, 2023.

Meetings and attendance during the financial year

During the financial year, the Nomination and Remuneration/Compensation Committee met two times on May 30, 2022, and March 27, 2023.

The attendance at the Nomination and Remuneration/Compensation Committee meetings during the financial year 2022-23 is as under:

Name of the Committee Member	No. of Meetings held during tenure	Attended
Dr.(Mrs.) Avnit Bimal Singh	2	2
Mr. K. Ragunathan	2	2
Mr. Girish Paman Vanvari	2	2

REMUNERATION OF DIRECTORS

Details of remuneration paid to the Directors during the financial year 2022-23 are as follows:

a. Executive Directors

Name of the Director	Salary	Benefits / Perquisites	Commission	Contribution to PF	Total
Mr. K. Nithyananda Reddy	19,200,000	18,185,287	---	21,600	37,406,887
Dr. M. Sivakumaran	12,000,000	11,305,684	--	21,600	23,327,284
Mr. M. Madan Mohan Reddy	27,000,000	2,533,1294	---	21,600	52,352,894
Mr. P. Sarath Chandra Reddy*	4,625,000	3,523,721	---	14,400	8,163,121
Total	62,825,000	58,345,986	---	79,200	121,250,186

*Mr. P. Sarath Chandra Reddy has been relieved from his executive functions/ responsibilities w.e.f. November 12, 2022, and he is continuing as a non-executive director on the Board of the Company. The notice period for the above executive directors is as per the rules of the Company. There was no severance fee payable to them for cessation of their executive directorship. No fixed component and performance linked incentives are paid to the executive directors and none of the above executive directors were granted stock options.

Further, the Board of Directors of the Company re-constituted the Nomination and Remuneration/Compensation Committee w.e.f. April 1, 2023, as under:

1.	Mr. Santanu Mukherjee	Chairman
2.	Dr. (Mrs.) Avnit Bimal Singh	Member
3.	Mr. K. Ragunathan	Member
4.	Mr. Girish Paman Vanvari	Member

Nomination and Remuneration Policy

The compensation of the executive directors comprises of fixed components, perquisites and commission. The compensation is determined based on the remuneration prevailing in the industry and the performance of the Company. The remuneration package of the executive directors is periodically reviewed, and suitable revision is recommended to the Board by the Committee. The non-executive directors are paid sitting fees for attending meetings of the Board/Committee.

During the year the Nomination, Remuneration and Compensation Policy is amended by the Board w.e.f. February 9, 2023, and is placed on the Company's website at: <https://www.aurobindo.com/api/uploads/NRC-Policy-AUROBINDO-09022023.pdf>

Performance evaluation criteria for independent directors

The performance evaluation shall be done on an annual basis. Each Director shall be provided with an evaluation sheet in the form of a questionnaire. The ratings shall be provided by all the Directors except the Independent Director being evaluated.

Based on the report of performance evaluation, it shall be determined by the Nomination and Remuneration/Compensation Committee and Board whether to extend or continue the term of appointment of Independent Director subject to all other applicable provisions.

b. Non-Executive Directors

There were no pecuniary transactions with any non-executive director of the Company.

Non-executive directors are paid a sitting fee for attending the Board and Committee meetings. A sitting fee of ₹ 100,000 is being paid to non-executive directors for attending each meeting of the Board of Directors and of Committees of the Board of Directors. During the financial year 2022-23, the sitting fees paid was as follows:

Name	Sitting fee (₹)
Mr. K. Ragunathan	2,700,000
Mr. Girish Paman Vanvari	2,700,000
Dr. (Mrs.) Avnit Bimal Singh	1,700,000
Mrs. Savita Mahajan	2,300,000
Mr. P. V. Ram Prasad Reddy	500,000
Mr. Santanu Mukherjee	200,000

STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition

Dr. (Mrs.) Avnit Bimal Singh, a Non-Executive Independent Director is the Chairperson of the Committee and Mr. K. Nithyananda Reddy, Mr. K. Ragunathan, Mrs. Savita Mahajan and Mr. Girish Paman Vanvari are the other members of the Committee as on March 31, 2023.

Meetings and attendance during the financial year

During the year the Stakeholders Relationship Committee met four times on July 22, 2022, October 11, 2022, December 28, 2022 and March 30, 2023.

The attendance at the Stakeholders Relationship Committee meetings during the financial year 2022-23 is as under:

Name of the Committee	No. of Meetings held during tenure	Attended
Dr. Avnit Bimal Singh	4	4
Mr. K. Nithyananda Reddy	4	1
Mr. K. Ragunathan	4	4
Mrs. Savita Mahajan	4	4
Mr. Girish Paman Vanvari	4	4

Further, the Board of Directors of the Company re-constituted the Stakeholders Relationship Committee w.e.f. April 1, 2023 as under:

1.	Dr. Avnit Bimal Singh	Chairperson
2.	Mr. K. Nithyananda Reddy	Member
3.	Mr. K. Ragunathan	Member
4.	Mr. Girish Vanvari	Member
5.	Mrs. Savita Mahajan	Member
6.	Mr. Santanu Mukherjee	Member

Terms of reference

Stakeholders Relationship Committee considers and resolves all matters of the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual reports, non-receipt of declared dividends, issue of duplicate share certificates, general meetings etc.

Specifically look into various aspects of interest of shareholders, debenture holders and other security holders.

Review of measures taken for effective exercise of voting rights by shareholders.

Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

Review of various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Name and designation of Compliance Officer

Mr. B. Adi Reddy, Company Secretary and Compliance Officer

Email ID for investor grievances: ig@aurobindo.com

Investor Complaints

During the financial year ended March 31, 2023, the Company has received and resolved 7 complaints from investors. All the complaints resolved to the satisfaction of shareholders and there were no pending complaints at the year end.

Report on Corporate Governance Contd.

RISK MANAGEMENT COMMITTEE

The Company recognizes that it faces various financial, market, technical and operational risks including regulatory and compliance risks and needs to take appropriate steps to minimize such risks. The Board regularly discusses the significant business risks identified by the management and the mitigation process being taken up. The Board has constituted a Risk Management Committee comprising of Mr. Girish P Vanvari as the Chairman of the Committee and Mr. P. Sarath Chandra Reddy, Mr. K Rangunathan as other members of the Committee.

During the year the Risk Management Committee met two times on September 21, 2022, and March 20, 2023.

The attendance at the Risk Management Committee meetings during the financial year 2022-23 is as under:

Name of the Committee Member	No. of Meetings held during tenure	Attended
Mr. Girish Paman Vanvari	2	2
Mr. K. Rangunathan	2	2
Mr.P. Sarath Chandra Reddy	2	---

The Board of Directors of the Company re-constituted the Risk Management Committee w.e.f. April 1, 2023 as under:

- Mr. Girish Paman Vanvari - Chairman
- Mrs. Savita Mahajan - Member
- Mr. Santanu Mukherjee - Member

The terms of reference of Risk Management Committee as approved by the Board and amended from time to time includes the following:

- To formulate a detailed risk management policy which shall include:
 - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As per the Companies Act, 2013, the Company is required to constitute a Corporate Social Responsibility (CSR) Committee of the Board consisting of three or more directors, at least one of whom will be an independent director. The Committee consists of Mr. K. Nithyananda Reddy as Chairman, Mr. K. Rangunathan, Dr. M. Sivakumaran, Mr. P. Sarath Chandra Reddy, Mrs. Savita Mahajan, Dr. Avnit Bimal Singh and Mr. Girish Paman Vanvari as Members.

Meetings and attendance during the financial year

During the financial year 2022-23, the Corporate Social Responsibility Committee met five times on May 30, 2022, August 11, 2022, November 12, 2022, February 9, 2023, and March 27, 2023.

The attendance at the Corporate Social Responsibility Committee meetings during the financial year 2022-23 is as under:

Name of the Committee Member	No. of Meetings held during tenure	Attended
Mr. K. Rangunathan	5	5
Mr. K. Nithyananda Reddy	5	5
Dr. M. Sivakumaran	5	4
Mr. P. Sarath Chandra Reddy	5	2
Dr. (Mrs.) Avnit Bimal Singh	5	5
Mrs. Savita Mahajan	5	5
Mr. Girish P. Vanvari	5	5

The terms of reference of Corporate Social Responsibility Committee as approved by the Board and amended from time to time includes the following:

- formulating the CSR policy in compliance to Section 135 of the Companies Act 2013

- identifying activities to be undertaken as per Schedule VII of the Companies Act 2013
- recommending to Board the CSR expenditure to be incurred.
- recommending to Board, modifications to the CSR policy as and when required.
- regularly monitoring the implementation of the CSR policy
- approving the budgetary allocation funds to various units/groups monitoring the CSR activities
- Recommend to the board an Annual CSR Action Plan delineating the CSR projects or programmes to be undertaken during the financial year and
- Appoint an independent agency/firm to carry out impact assessment study, if any

The CSR Policy has been placed on the Company's website at: <https://www.aurobindo.com/api/uploads/CSR-policy.pdf>

Annual report on the CSR activities of the Company during the financial year is also placed on the Company's website at: <https://www.aurobindo.com/sustainability/annual-csr-report>

The Company has formulated CSR annual action plan for the financial year 2023-24. The details of CSR projects approved by the Board of Directors of the Company for the financial year 2023-24 is placed on the Company's website at <https://www.aurobindo.com/sustainability/annual-action-plan>

The Company has opened a CSR Unspent Account for transfer of amounts remaining unspent and pertaining to Ongoing CSR projects as on March 31, 2023 and transferred ₹ 186,566,037 to the said CSR Unspent Account.

SUSTAINABILITY REPORTING & ESG COMMITTEE

The Board had constituted a Committee viz., Business Responsibility/Sustainability Reporting Committee consisting of Mr. K. Nithyananda Reddy as Chairman, Dr. M. Sivakumaran and Mr. M. Madan Mohan Reddy as members with EHS Heads of API & Formulation Divisions as permanent invitees w.e.f. February 9, 2023.

The terms of reference of Business Responsibility/Sustainability Reporting Committee as approved by the Board includes the following:

- Responsible for the adoption of National Guidelines on Responsible Business Conduct (NGRBC) in business practices of Aurobindo Pharma Limited.
- Responsible for the policies created for or linked to the 9 key principles of the 'National Guidelines on Responsible Business Conduct (NGRBC)'.

- Review the progress of initiatives under the purview of business responsibility (sustainability) policies mentioned above.
- Review business responsibility reporting disclosures on a pre-decided frequency (monthly, quarterly, bi- annually).
- Review the progress of business responsibility initiatives at Aurobindo Pharma Limited.
- Review the annual business responsibility report and present it to the Board for approval.

Further, the Board in its meeting held on April 1, 2023, changed the name of the Committee to the Sustainability Reporting and ESG Committee, reconstituted the Committee consisting of Mrs. Savita Mahajan as Chairperson, Mr. K. Rangunathan, Mr. Santanu Mukherjee, Mr. Nithyananda Reddy and Mr. M. Madan Mohan Reddy as members of the Committee and expanded the role of the Committee by including the following roles related to environmental, social and governance (ESG) in terms of reference:

- Assist the Board in establishing and monitoring the Company's ESG policies and practices.
- Propose changes as necessary from time to time to respond to ESG recommendations or guidelines from authorities or investors as well as changes in the Company's business environment.
- Ensure that the Company has in effect adequate policies and procedures to identify and manage the principal ESG risks of the Company's business.
- Review the main challenges the Company faces in ESG.
- Review and approve material ESG disclosure.
- Review and approve the external party assurance process and report.

IT STEWARDSHIP COMMITTEE

The Board had constituted a Committee viz., IT Stewardship Committee consisting of Mr. Santanu Mukherjee – Chairman, Mr. K. Rangunathan, Mrs. Savita Mahajan and Mr. M Madan Mohan Reddy as Members with Chief Information Officer as permanent invitee w.e.f. April 1, 2023.

The terms of reference of IT Stewardship Committee as approved by the Board includes the following:

- Oversee the control environment in place for Information Technology and for Cyber Security.
- Review risks relating to Information Technology and Cyber Security and plans for mitigation or treatment.

Report on Corporate Governance Contd.

- Review and endorse the Information Technology and Digital Strategy and Cyber Security Strategy of the Company and their implementation plans.
- Review and endorse the organisation and operating model in place for Information Technology and Cyber Security, and subsequently consider its ongoing suitability.
- Oversee technology aspects of major change programmes, understanding their strategic contribution and risks.
- Consider current capability relating to Technology, Cyber and Digital skills and plans to address any issues.
- Consider the adequacy and performance of Suppliers and Supply Chain for IT and Cyber.
- Consider service ticketing requests.

GENERAL BODY MEETINGS

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

Year	Location	Date	Time	No. of Special Resolutions passed
2020	Held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	August 27, 2020	3.30 p.m.	1
2021	Held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	August 26, 2021	3.30 p.m.	1
2022	Held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	August 2, 2022	3.30 p.m.	0

Details of special resolutions passed through postal ballot in Financial Year 2022-23 and details of the voting pattern:

The Company sought the approval of shareholders by way of special resolutions through notice of postal ballot dated May 30, 2022, December 14, 2022 and February 9, 2023 and the details are provided below.

Mr. A. Mohan Rami Reddy, Practicing Company Secretary, was appointed as the Scrutinizer to scrutinize all the above postal ballot events and reported that the remote e-voting processes in all these events conducted in a fair and transparent manner.

The procedure for Postal Ballot as prescribed under Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, has been followed. The scrutinizer submitted reports to the Chairman stating that the resolutions have been duly passed by the members with requisite majority.

The details of the voting pattern of the aforesaid three Postal Ballot processes are as below:

Postal Ballot Number	Postal Ballot Notice Date	Remote e-voting Commencement Time	Special Resolution	No. of Votes Polled	No. of Votes Cast in Favour	No. of Votes Cast Against	% of Votes Cast in Favour on Votes Polled	% of Votes Cast Against on Votes Polled	Date of declaration of evoting results
1	May 30, 2022	June 10, 2022 (9.00 a.m.) to July 9, 2022 (5.00 p.m.)	To amend the Object Clause of the Memorandum of Association of the Company	474,251,499	474,235,210	16,289	99.997	0.003	Jul 11, 2022
			To alter the Liability Clause of the Memorandum of Association of the Company	474,251,184	474,234,527	16,657	99.997	0.003	
2	Dec 14, 2022	Dec 23, 2022 (9.00 a.m.) to Jan 21, 2023 (5.00 p.m.)	To reappoint Mr. Girish Paman Vanvari (DIN: 07376482) as an Independent Director	473,623,119	404,650,708	68,972,411	85.44	14.56	Jan 24, 2023

Postal Ballot Number	Postal Ballot Notice Date	Remote e-voting Commencement Time	Special Resolution	No. of Votes Polled	No. of Votes Cast in Favour	No. of Votes Cast Against	% of Votes Cast in Favour on Votes Polled	% of Votes Cast Against on Votes Polled	Date of declaration of evoting results
3	Feb 8, 2023	Feb 20, 2023 (9.00 a.m.) to March 21, 2023 (5.00 p.m.)	Appointment of Mr. Santanu Mukherjee (DIN: 07716452) as an Independent Director of the Company	482,324,288	478,761,669	3,562,619	99.261	0.739	Mar 23, 2023
			Alteration of the Articles of Association of the Company	482,322,698	482,311,198	11,500	99.998	0.002	
			Sale and Transfer of Unit I, Unit VIII, Unit IX, Unit XI, Unit XIV and R&D Unit 2 of the Company to Auro Pharma India Private Limited, a wholly owned subsidiary of the Company	482,232,065	482,218,385	13,680	99.997	0.003	

Proposal to conduct postal ballot for any matter in the ensuing Annual General Meeting:

There is no proposal to conduct postal ballot for any matter in the ensuing Annual General Meeting.

MEANS OF COMMUNICATION

The quarterly and half yearly financial results are not sent to the individual households of the Members, however, the same are placed on the Company's website for the information of Members and general public and also published in Business Standard newspaper in English and Nava Telangana newspaper in Telugu (regional language). Further all material information which has some bearing on the operations of the Company is sent to the stock exchanges and placed on the Company's website, www.aurobindo.com.

The presentations made to the investors, analysts and the transcripts of earnings' calls and news releases are placed on the Company's website at www.aurobindo.com.

The Management Discussion and Analysis forms part of this Report and is provided separately in the Annual Report.

GENERAL SHAREHOLDERS INFORMATION 36th Annual General Meeting

As mentioned in the Notice, the 36th Annual General Meeting of the Company will be held on Friday, the 25th day of August 2023 at 3.30 PM (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") pursuant to the MCA Circular dated December 28, 2022 and as such there is no requirement to have a venue for the 36th AGM but Corporate Office of the Company will be deemed to be the venue of the AGM. For more details, please refer to the Notice of this AGM.

Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by Kfintech at <https://emeetings.kfintech.com> by using their remote e-voting login credentials and selecting the EVENT for Company's AGM.

Report on Corporate Governance Contd.

Financial Year

The financial year of the Company is April to March.

Financial calendar (tentative and subject to change) of the financial year 2023-24 is as follows:

Declaration of Financial results for	Declaration on or before
1 st Quarter	August 14, 2023
2 nd Quarter	November 14, 2023
3 rd Quarter	February 14, 2024
4 th Quarter	May 30, 2024

Payment of Dividend

The Board of Directors of the Company in its meeting held on February 9, 2023 declared an interim dividend of 300% (₹ 3.00 per equity share of ₹ 1 each) which was paid in the month of March 2023 on the equity share capital of the Company for the financial year 2022-23. The Board of Directors

did not recommend any final dividend for the financial year 2022-23.

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

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

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

Listing fees for the financial year 2023-24 has been paid to the above stock exchanges.

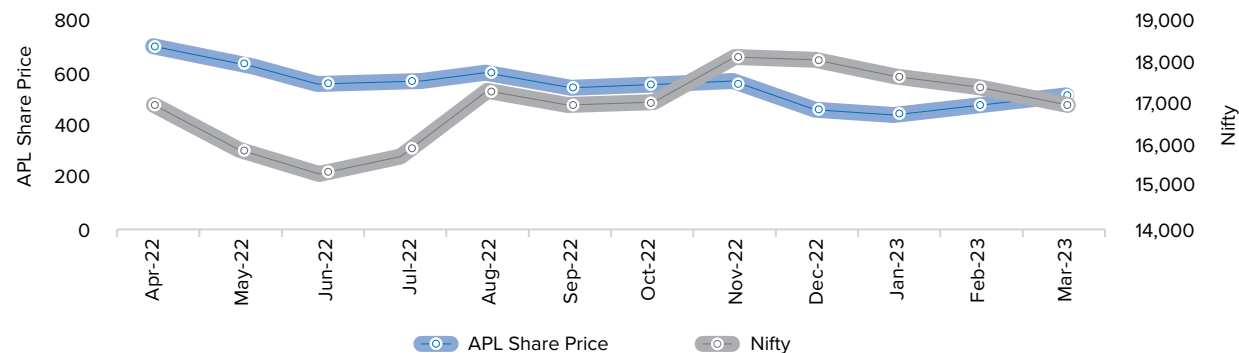
ISIN: INE406A01037

Market Price data:

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

2022	Month	NSE Share Price				S & P CNX Nifty		
		High	Low	Close	Volume	High	Low	
2022	April	714.70	625.20	629.05	23,714,050	17,054.3	17,921.55	
	May	653.00	653.00	530.80	58,225,888	15,977.95	16,917.25	
	June	554.85	503.45	513.10	43,078,195	15,382.5	16,567.9	
	July	564.45	506.50	547.00	22,844,457	15,793.95	17,018.15	
	August	604.00	532.30	545.40	32,938,866	17,356.25	17,852.05	
	September	556.75	494.30	510.60	27,279,958	17,026.05	18,015.45	
	October	552.75	505.65	538.15	20,698,096	17,112.35	17,899.9	
	November	569.45	455.10	467.35	56,783,870	18,103.1	18,616.55	
	December	472.80	434.40	438.30	27,509,414	18,050.45	18,778.2	
	2023	January	455.65	407.05	408.15	27,008,954	17,709.15	18,149.8
		February	482.50	397.20	462.75	42,889,736	17,440.45	18,000.65
		March	520.80	444.75	518.10	42,988,586	17,061.75	17,671.95

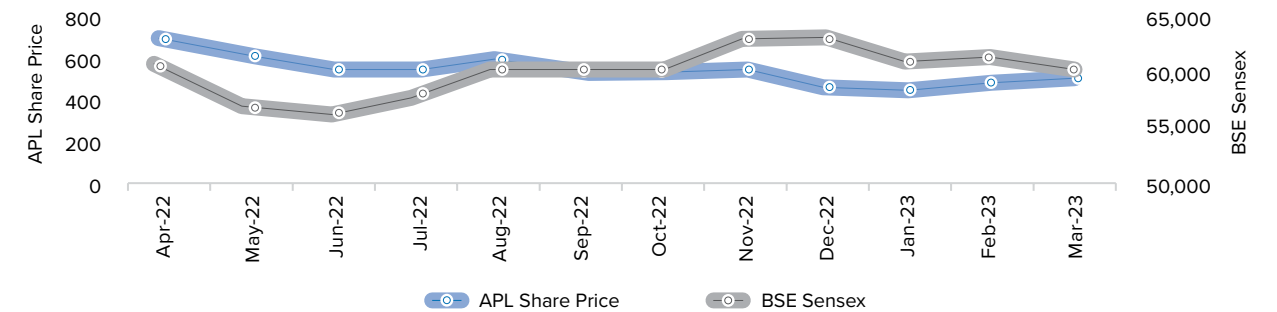
NSE-APL Share Price



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

Month	BSE share price (₹)				BSE Sensex			
	High	Low	Close	Volume	High	Low		
2022	April	714.60	625.30	629.65	929,413	6,0845.1	56,009.07	
	May	654.75	514.50	530.90	2,829,862	57,184.21	52,632.48	
	June	554.80	503.40	513.80	2,223,782	56,432.65	50,921.22	
	July	564.45	506.70	546.95	1,142,209	57,619.27	52,094.25	
	August	603.80	532.10	545.25	1,639,081	60,411.2	57,367.47	
	September	556.50	494.75	510.50	2,014,058	60,676.12	56,147.23	
	October	552.40	506.00	538.35	2,013,409	60,786.7	56,683.4	
	November	569.55	455.05	468.10	3,083,439	63,303.01	60,425.47	
	December	472.75	434.40	438.05	1,423,254	63,583.07	59,754.1	
	2023	January	455.85	407.15	408.30	967,279	61,343.96	58,699.2
		February	482.50	397.30	463.05	1,561,201	61,682.25	58,795.97
		March	520.50	443.15	518.00	2,846,569	60,498.48	57,084.91

BSE-APL Share Price



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

Registrar and share transfer agents

M/s. KFin Technologies Limited (formerly known as KFin Technologies Private Limited) is the Registrar & Share Transfer Agent and Depository Transfer Agent of the Company. Any request pertaining to investor grievances may be forwarded to them at the following address:

KFin Technologies Limited
Unit: Aurobindo Pharma Limited
Selenium Tower B, Plot No.31&32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally, Hyderabad - 500 032, Telangana
Email id : einward.ris@kfintech.com
Toll free number : 1- 800-309-4001
Contact Person : Ms. C Shobha Anand, Deputy Vice President

Report on Corporate Governance Contd.

Share transfer system and dematerialization of shares and liquidity

In accordance with amendments to Regulation 40 of the SEBI Listing Regulations, physical transfer of shares is not permitted with effect from April 1, 2019. Therefore, request for transferring physical shares will not be accepted by the Company and/or its Registrar and Share Transfer Agent, Kfintech. However, transmission and transposition of shares in physical form are permitted. We request shareholders whose shares are in physical mode to dematerialize their shares. Shareholders holding shares in dematerialized mode have been requested to register their email address, bank account details and mobile number with their depository participants. Those holding shares in physical mode have been requested to furnish PAN, nomination, contact details, bank account details and specimen signature for their corresponding folios. The folios shall be frozen, if any of these details are not available on or before October 1, 2023. Shareholders may contact the RTA at, einward.ris@kfintech.com and also refer details <https://www.aurobindo.com/investors/shareholder-information/registrar-and-share-transfer-agent>

Dematerialization of Shares

The Company's Shares form part of the compulsory dematerialisation segment and are transferable through the depository system. To facilitate easy access of the dematerialised system to the investors, Company signed up with both the depositories in India viz. the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and have established connectivity with the depositories through KFin Technologies Limited, the Registrar and Transfer Agent of the Company.

Distribution of Shareholding

Distribution Schedule – As on March 31, 2023

Sno	Category	No. of Cases	% of Cases	Total shares	Amount (₹)	% of Amount
1	1-5,000	341,865	99.49	38,296,756	38,296,756	6.54
2	5,001- 10,000	854	0.25	6,172,369	6,172,369	1.05
3	10,001- 20,000	331	0.10	4,810,574	4,810,574	0.82
4	20,001- 30,000	126	0.04	3,048,946	3,048,946	0.52
5	30,001- 40,000	67	0.02	2,322,643	2,322,643	0.40
6	40,001- 50,000	52	0.02	2,368,377	2,368,377	0.40
7	50,001- 100,000	95	0.03	6,776,429	6,776,429	1.16
8	100,001 & Above	227	0.07	522,142,515	522,142,515	89.11
	Total:	343,617	100.00	585,938,609	585,938,609	100.00

338,861 Folios comprising of 584,992,287 equity shares forming 99.84% of the share capital of the Company are in demat form and 4,756 Folios comprising of 946,322 equity shares forming 0.16% of the share capital of the Company are in physical form.

Categories of shareholders as on March 31, 2023

Category	No. of Shares	%
Promoters & Directors	303,717,481	51.83
NRIs/FPIs/Foreign Nationals	137,786,513	23.52
FIs / Banks	5,356	0.00
Mutual Funds	44,747,798	7.64
Insurance companies	34,354,041	5.86
Body corporates	3,760,802	0.64
General public and others	61,566,618	10.51
TOTAL	585,938,609	100.00

Liquidity

The Company's Equity Shares are among the most liquid and actively traded shares on the Stock Exchanges.

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

The Company has not issued any GDR/ADR and there are no outstanding warrants or any convertible instruments.

Commodity Price Risk or Foreign Exchange risk and hedging activities

Detailed information on commodity price risk and foreign exchange risk has been provided under Management of Risks which forms part of this annual report. The Company has not undertaken any hedging activities for commodity price risk and foreign exchange risk.

Plant locations of manufacturing and R&D facilities

Unit No	Address
Unit-I *	Sy No.379, 385, 386, 388 to 396,398,399 & 269 Borapatla Village, Hathnoora Mandal, Sangareddy District - 502296, Telangana
Unit-II	Plot No.103/A & 104/A, SVCIE, Industrial Development Area, Bollaram, Jinnaram Mandal Sangareddy District, 500 092, Telangana.
Unit-III	Survey No.313 & 314 Bachupally Village, Bachupally Mandal, Medchal Malkajgiri District, 500090, Telangana.
Unit-V*	Plot Nos. 68 to 70, 73 to 91, 95, 96, 260 & 261 IDA, Pashamylaram, Patancheru Mandal, Sangareddy District - 502307, Telangana
Unit-VI	Survey No. 329/39 & 329/47, Chitkul Village, Patancheru Mandal, Sangareddy District, 502307, Telangana.
Unit-VII (SEZ)	Sy.Nos.411/P, 425/P, 434/P, 435/P & 458/P, Plot No.S1/A, Special Economic Zone (Pharma), TSIIIC, Green Industrial Park, Polepally Village, Jedcherla Mandal, Mahaboob Nagar District, 509302, Telangana.
Unit-VIII*	Sy No. 10 & 13 IDA – Kazipally Industrial Area, Gaddapotharam Village, Jinnaram Mandal, Sangareddy District- 502319, Telangana
Unit IX*	Sy No.305/P, 369, 370, 371, 372/P,373, 374 & 377 Gundlamachnoor Village, Hathnoora Mandal, Sangareddy District - 502296, Telangana
Unit XI & XIU*	Sy. 52,53,58,59,61 to 78, 127 & 128 of Pydibhimavaram Village & Sy No. 1,2,4 to 9, 11,29,30,31 & 32 of Chittivalasa Village Ranasthalam Mandal, Srikakulam District - 532409, Andhra Pradesh
Unit-XII	Survey No.314, Bachupally Village, Bachupally Mandal, Medchal Malkajgiri District, 500090, Telangana.
Unit-XIV*	Plot No.17 Sy No. 1,3,4,5&6 E-Bonangi Village, Parawada Mandal, Anakapalli District - 531019, Andhra Pradesh
Unit – XV	Plot No.17A Sy No. 1,3,4,5&6 JNPC, E-Bonangi Village, Parawada Mandal, Anakapalli District - 531019, Andhra Pradesh.
Unit-XVII*	Plot No.41, Sy No. 4P, 13P & 14P Thanam Village, Parawada Mandal, Anakapalli District - 531021 Andhra Pradesh
APLRC-I@	Survey No.313 & 314 Bachupally Village, Bachupally Mandal, Medchal Malkajgiri District, 500090, Telangana.
APLRC-II@*	Sy 71 & 72 Indrakaran Village, Kandi Mandal, Sangareddy District - 502329, Telangana

@Research and Development Centers

*The Company entered into Business Transfer Agreements with Apitoria Pharma Private Limited (formerly known as Auro Pharma India Private Limited), a wholly owned subsidiary of the Company, for sale and transfer of Units I, V, VIII, IX, XI, XIV, R&D 2, V and XVII on a slump sale basis effective April 1, 2023, and the transaction is yet to be completed.

Address for correspondence:

Registered Office	Corporate Office	Name & Designation of Compliance Officer
Aurobindo Pharma Limited (CIN - L24239TG1986PLC015190) Plot No.2, Maithrivihar, Ameerpet Hyderabad - 500 038, Telangana, India Phone: +91 40 2373 6370 Fax: +91 40 2374 7340 Email: info@aurobindo.com	Corp. Off: Galaxy, Floors: 22-24, Plot No. 1, Survey No. 83/1, Hyderabad Knowledge City, Raidurg Panmaktha Ranga Reddy District Hyderabad - 500 032, Telangana, India Phone: +91 40 6672 5000 Fax : +91 40 6707 4044 /4059 Email: info@aurobindo.com	Mr. B. Adi Reddy Company Secretary Aurobindo Pharma Limited, Corp. Off: Galaxy, Floors: 22-24, Plot No. 1, Survey No. 83/1, Hyderabad Knowledge City, Raidurg Panmaktha Ranga Reddy District Hyderabad - 500 032, Telangana, India Phone: +91 40 6672 5333 Fax: +91 40 6707 4044/4059 Email: cs@aurobindo.com

Report on Corporate Governance Contd.

Contact address for investor grievances.

Email: ig@aurobindo.com

List of all credit ratings obtained by the entity along with any revision thereto.

The Company has obtained the following ratings from India Ratings & Research Private Limited on October 20, 2022.

Fund-based working capital limits: IND AA+/Stable/IND A1+

Non-fund-based working capital limits: IND A1+

OTHER DISCLOSURES

Related Party Transactions

No transaction of a material nature has been entered into by the Company with its Directors/management and their relatives, etc. that may have a potential conflict with the interests of the Company. The Register of Contracts containing transactions in which Directors are interested, is placed before the Board regularly.

Transactions with related parties are disclosed in the Notes to Accounts in the Annual Report.

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee and Board of Directors of the Company have adopted a policy to determine Related Party Transactions. The policy is placed on the Company's website at:

https://www.aurobindo.com/api/uploads/disclosure_under_regulation/PolicyOnRPT-Feb2022.pdf

Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

There were no instances of non-compliance or penalties/ strictures by the stock exchanges/SEBI/statutory authorities on any matter related to capital markets during the last three years except a settlement of a case under SEBI PIT Regulations. Brief facts of the settlement are as follows:

During 2008-09, the Company in the ordinary course of its business, entered into several Licensing and Supply Agreements with Pfizer Inc. ("Pfizer"). The Company has issued a Press Release consistent with the Pfizer Press Release on March 3, 2009 to avoid any conjecture in the market. When things stand as above, some trades in the shares of the Company were undertaken by some of the promoters to consolidate their shareholding in the Company as per the amendments brought in by SEBI to the Takeover Code Regulations.

However, the above act of promoters has been considered by SEBI as violation of Insider Trading Regulations of SEBI and issued a Show Cause Notice dated September 6, 2017 (WTM SCN) under Section 11B of the SEBI Act, 1992 alleging violation of the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992 (PIT Regulations). Further, another Show Cause Notice dated June 20, 2018 (AO SCN) was issued by the Adjudication Officer (AO) of SEBI against the promoters and to the Company under Section 15 of the SEBI Act, 1992. The Company and the promoters submitted their responses to the aforesaid Show Cause Notices.

The Adjudicating Officer (AO) vide order dated September 23, 2019, levied a penalty of ₹ 10 million under Section 23 E of SCRA for violation of Clause 36 of the Equity Listing Agreement read with Section 21 of the SCRA and ₹ 10 million under Section 15HB for violation of Regulation 12 (1) read with Clause 3.2.1 of Schedule I of the PIT Regulations, 1992 read with regulation 12 (2) of the PIT Regulations, 2015 and Regulation 12 (2) read with Clause 2.1 of Schedule II of the PIT Regulations, 1992 read with Regulation 12 (2) of the PIT Regulations, 2015 on the Company and ₹ 132 million under Section 15G for violation of Regulations 3 and 4 of PIT Regulations on the promoters/promoter group of the Company. Thereafter, the Company and the promoters have filed an Appeal before the Securities Appellate Tribunal on the above matter.

The Company and the promoters have in order to buy the peace, made settlement applications on October 25, 2019 before SEBI without admitting or denying any violation for settlement of the matter pending before SAT and also on WTM SCN. Accordingly, a meeting with Internal Committee of SEBI was held on February 5, 2020. The SEBI on April 16, 2020 has communicated its acceptance to the settlement proposal of the Company and its promoters. Accordingly, on April 30, 2020 the Company has paid ₹ 22 million and the promoters cumulatively have paid ₹ 198.2 million to SEBI towards settlement amount of the above matter.

SEBI vide settlement order dated May 6, 2020 disposed off all the enforcement proceedings of SEBI in respect of the aforesaid allegations against the Company and the Promoters and the matter was closed.

However, it was observed that SEBI on October 23, 2020 had informed some of the Promoters that there were some calculation errors in the Settlement amounts and asked them to make good certain amounts for which the said promoters have filed a writ petition before Hon'ble High Court of Telangana, at Hyderabad. The Hon'ble High Court on November 18, 2020 has granted interim relief to the said promoters by way of suspension of the SEBI direction dated October 23, 2020, subject to depositing of around ₹ 17.5 million with SEBI. Accordingly, the said amount was deposited by the Promoters and presently the matter is pending for disposal before Hon'ble

High Court of Telangana, at Hyderabad. There were no proceedings pending in the above matter against the Company with SEBI.

Details of establishment of Vigil Mechanism (Whistle Blower policy)

The Board of Directors of the Company had adopted the Whistle Blower policy. The Company has established a mechanism for employees to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics. The employees have been appropriately communicated within the organization about the mechanism and have been provided direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The mechanism also lays emphasis on making enquiry into whistleblower complaint received by the Company. The Audit Committee reviews periodically the functioning of whistle blower mechanism. No employee has been denied access to the Audit Committee. A copy of the Whistle Blower Policy is hosted on the Company's website at https://www.aurobindo.com/api/uploads/disclosure_under_regulation/Whistle-Blower-Policy-APL-New-March2022-1.pdf

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with all the mandatory requirements of Corporate Governance as per Securities and

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

During the year ended March 31, 2023 fees paid to the Statutory Auditors (Deloitte Haskins & Sells) and its network firms are as follows:

	(₹ In million)		
Fees (including taxes)	Aurobindo Pharma Limited to Statutory Auditors	Aurobindo Pharma Limited to network firms of Statutory Auditors	Subsidiaries of Aurobindo Pharma Limited to Statutory Auditors and its network firms
Statutory Audit	14.50	---	11.49
Certification & other attest services	1.03	0.55	1.84
Non-audit services	---	---	-
Outlays and Taxes	1.93	0.10	0.01
Total	17.46	0.65	13.34

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, prohibition and redressal) Act, 2013:

- Number of complaints filed during the financial year: Nil
- Number of complaints disposed of during the financial year: Nil
- Number of complaints pending as on end of the financial year: Nil

Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is in the process of implementation of non-mandatory requirements.

Policy on Material Subsidiaries

In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has adopted a policy with regard to determination of material subsidiaries. The policy is placed on the Company's website: https://www.aurobindo.com/api/uploads/disclosure_under_regulation/Policy-MaterialSubsidiary.pdf

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

During the period under review, the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A),

Recommendations of Committees of the Board

There were no instances during the financial year 2022-23 wherein the Board had not accepted the recommendations made by any Committee of the Board.

Report on Corporate Governance Contd.

Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':

Nil

Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Schedule-V

The Company has complied with the requirements of corporate governance report of sub-paras (2) to (10) of clause C of Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Adoption of discretionary requirements as specified in Part E of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Regarding discretionary requirements, the Company has adopted clauses relating to the following:

Separate persons were appointed for the post of Chairman and Managing Director and Internal Auditors report directly to the Audit Committee.

The Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

Regulation	Particulars of Regulations	Compliance status (Yes/No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity- 24 (5 & 6)	Yes
24A	Secretarial Audit and Secretarial Compliance Report	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements	Yes
46(2) (b) to (i)	Website	Yes

Code of Conduct

The Board of Directors has laid down a 'Code of Conduct' (the "Code") for all the Board members and the senior management of the Company and this Code is posted on the website of the Company. An annual declaration is obtained from every person covered by the Code.

The Company has a comprehensive Code of Conduct for prevention of insider trading in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015. Pursuant to the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, which is effective from April 1, 2019, the Board has formulated a Code of Conduct to regulate, monitor and report trading by insiders and the Board has also adopted a code of practices and procedures for fair disclosure of un-published price sensitive information. The data management and monitoring of insider trading in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 is done through a dedicated application provided by Company's Registrar & Transfer Agent, KFin Technologies Limited. The Company has also put in place a Structured Digital Database for monitoring the sharing of unpublished price sensitive information.

Letter of appointment

Each independent director upon appointment is given a letter of appointment. The terms and conditions of the appointment of the independent directors is available on the Company's website at:

<https://www.aurobindo.com/investors/disclosures-under-regulation-46/terms-of-appointment-of-independent-directors>

Subsidiary Companies

Regulation 16 of the Listing Regulations defines a "material subsidiary" to mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. Under this definition, Aurobindo Pharma USA Inc., USA, Helix Healthcare B.V., Netherlands and APL Healthcare limited, India are material subsidiaries of the Company. The required details as per Listing Regulations of material subsidiaries are given below:

Name of Material Subsidiary	Date and place of incorporation	Name and date of appointment of the Statutory Auditors
Aurobindo Pharma USA Inc	Incorporated on February 26, 2004 in Delaware, USA	Deloitte Haskins & Sells appointed as Statutory Auditors on August 10, 2022
Helix Healthcare B.V., Netherlands	March 14, 2003 Amsterdam, The Netherlands	Crowe Peak Audit & Assurance B.V. November 4, 2022
APL Healthcare Limited	Incorporated on December 19, 2006 at Hyderabad, Telangana, India.	Reddy AV & Co., Chartered Accountants, appointed as statutory auditors on August 26, 2019.

In addition to the above, Regulation 24 of the Listing Regulations requires that at least one Independent Director on the Board of Directors of the listed entity shall be a Director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not. For the purpose of this provision, material subsidiary means a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. Aurobindo Pharma USA Inc., falls under this definition of unlisted material subsidiary for the financial year ended March 31, 2023. Accordingly, Mr. K. Ragunathan, Independent Director of the Company, has been appointed as a Director of Aurobindo Pharma USA Inc.

The Audit Committee of the Company reviewed the financial statements and also the investments made by the unlisted subsidiaries.

The minutes of the meetings of the board of directors of the unlisted subsidiaries are placed at the meeting of the Board of Directors of the Company.

The management of the unlisted subsidiary provides a statement of all significant transactions and arrangements entered into by them to the Board of Directors of the Company.

CEO and CFO Certification:

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the CEO & CFO certification is provided in this Annual report as **Annexure-C**.

Certificate on Corporate Governance

As required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Certificate on Corporate Governance issued by practising Company Secretary is annexed to the Board's report as **Annexure-D**.

Declaration

I, K. Nityananda Reddy, hereby declare that as provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the senior management personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2023.

For **Aurobindo Pharma Limited**

K. Nityananda Reddy

Vice Chairman & Managing Director

DIN: 01284195

Place: Hyderabad
Date: May 27, 2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
Aurobindo Pharma Limited
Plot No.2, Maithrivihar, Ameerpet
Hyderabad – 500 038.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Aurobindo Pharma Limited (CIN: L24239TG1986PLC015190) having its Registered Office at Plot No.2, Maithrivihar, Ameerpet, Hyderabad – 500 038, Telangana and Corporate office at Galaxy, Floor 22-24; Plot No 1, Sy No 83/1 Hyderabad Knowledge City, Raidurg Panmaktha, Hyderabad – 500032, Telangana (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st 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 the Director	DIN	Date of appointment in the Company
1	Mr. Kannan Ragunathan	00523576	30.01.2008
2	Mr. Kambam Nityananda Reddy	01284195	26.12.1986
3	Dr. Meenakshi Sunderam Sivakumaran	01284320	30.03.1992
4	Mr. Mettu Madan Mohan Reddy	01284266	18.09.2006
5	Mr. Penaka Sarath Chandra Reddy	01628013	27.09.2007
6	Mr. Penaka Venkata Ramprasad Reddy	01284132	26.12.1986
7	Dr. (Mrs.) Avnit Bimal Singh	01316166	25.03.2015
8	Mrs. Savita Mahajan	06492679	16.12.2017
9	Mr. Girish Paman Vanvari	07376482	05.11.2020
10	Mr. Santanu Mukherjee	07716452	09.02.2023

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

A. MOHAN RAMI REDDY
Practicing Company Secretary
FCS No. 2147 II C. P. No.16660
UDIN: F002147E000400336

Place: Hyderabad
Date : May 27, 2023

**Secretarial Compliance Report of
Aurobindo Pharma Limited for the financial year ended March 31, 2023**

(Pursuant to Regulation 24A of SEBI (LODR) Regulations, 2015)

I, A. Mohan Rami Reddy, Practicing Company Secretary conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by Aurobindo Pharma Limited [CIN: L24239TG1986PLC015190] (hereinafter referred as the "listed entity"), having its Registered Office at Plot No.2, Maithrivihar, Ameerpet, Hyderabad-500 038. Secretarial Review was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, I hereby report that in my opinion, the listed entity has, during the review period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also that the listed entity has appropriate Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I, A. Mohan Rami Reddy, Practicing Company Secretary has examined:

- All the documents and records made available to me and explanations provided by **Aurobindo Pharma Limited** (the "listed entity"),
- The filings / submissions made by the listed entity to the stock exchanges,
- Website of the listed entity and,
- Other documents / filings, as are relevant, which have been relied upon to make this certification, for the financial year ended March 31, 2023 ("Review Period") in respect of compliance with the provisions of:
 - The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, and guidelines issued thereunder; and
 - The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder, and the Regulations, circulars and guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, including:

- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable during the year under review)
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable during the year under review)
- Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not Applicable during the year under review)
- Securities and Exchange Board of India (Issue and Debt Securities) Regulations, 2008; (Not Applicable during the year under review)
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not Applicable during the year under review)
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; and circulars/guidelines issued thereunder.

Report on Corporate Governance Contd.

I hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance status(Yes/ No/NA)	Observations/ Remarks by PCS
1	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under Section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	None
2	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> All applicable policies under SEBI Regulations are adopted with the approval of the board of directors of the listed entity All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/ circulars/ guidelines issued by SEBI 	Yes Yes	None
3	Maintenance and disclosures on Website: <ul style="list-style-type: none"> The Listed entity is maintaining a functional website Timely dissemination of the documents/ information under a separate section on the website Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website 	Yes Yes Yes	None
4	Disqualification of Director: None of the Director(s) of the Company are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	None
5	Details related to Subsidiaries of listed entities have been examined wrt: (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries	Yes Yes	None
6	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	None
7	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations	Yes	None
8	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions. (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee.	Yes Yes	None
9	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	None
10	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	None

Sr. No.	Particulars	Compliance status(Yes/ No/NA)	Observations/ Remarks by PCS
11	Actions taken by SEBI or Stock Exchange(s), if any: No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	Yes	i) During the Review Period there was no action taken by SEBI / Stock Exchange(s). ii) However, there is a pending matter under SEBI (PIT) Regulations, 2015 against the promoters and not against the Company. Details as per Annexure.
12	Additional Non-compliances, if any: No additional non-compliance observed for all SEBI regulation/circular/ guidance note etc.	Yes	None

I further report that during the review period, M/s. Deloitte Haskins & Sells, Chartered Accountants, (Firm's Registration No. 008072S) were appointed as the Statutory Auditors of the Company in place of M/s. B S R & Associates LLP, Chartered Accountants, (Firm Registration No. 116231W/W-100024), the retiring auditors, to hold office from the conclusion of the 35th Annual General Meeting held on August 2, 2022 until the conclusion of 40th Annual General Meeting of the Company. There was no event of re-appointment/resignation of statutory auditors of the Company.

I further report that:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr. No.	Compliance Requirement (Regulations/ circulars/guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
										None

- (b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Compliance Requirement (Regulations/ circulars/guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
										There was no observation made in the previous reports.

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. My responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. I have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

A. MOHAN RAMI REDDY
Practicing Company Secretary

FCS No. 2147 II C. P. No.16660 II PR no.588/2019
UDIN: F002147E000313414

Place: Hyderabad

Date : May 16, 2023

Annexure

In the compliance report for the year ended March 31, 2022, it was reported that during 2008-09, the Company in the ordinary course of its business, entered into several Licensing and Supply Agreements with Pfizer Inc. ("Pfizer"). The Company has issued a Press Release consistent with the Pfizer Press Release on March 3, 2009 to avoid any conjecture in the market. When things stand as above, some trades in the shares of the Company were undertaken by some of the promoters to consolidate their shareholding in the Company as per the amendments brought in by SEBI to Takeover Code Regulations. However, the above act of promoters has been considered by SEBI as violation of Insider Trading Regulations of SEBI.

The contentions of the Company and its promoters were not accepted by the Adjudicating Officer (AO) and on September 23, 2019, an order was passed by the AO and levied a penalty of ₹ 10 million under Section 23 E of SCRA for violation of Clause 36 of the Equity Listing Agreement read with Section 21 of the SCRA and ₹ 10 million under Section 15HB for violation of Regulation 12 (1) read with Clause 3.2.1 of Schedule I of the PIT Regulations, 1992 read with regulation 12 (2) of the PIT Regulations, 2015 and Regulation 12 (2) read with Clause 2.1 of Schedule II of the PIT Regulations, 1992 read with Regulation 12 (2) of the PIT Regulations, 2015 on the Company and ₹ 132 million under Section 15G for violation of Regulations 3 and 4 of PIT Regulations on the promoters/promoter group of the Company

Thereafter, the Company and the promoters have filed an Appeal before the Securities Appellate Tribunal in the above matter. Meanwhile, the Company and the promoters have made settlement application on October 25, 2019 before SEBI without admitting or denying any violation for settlement of the matter. Accordingly, a meeting with Internal Committee of SEBI was held on February 5, 2020. The SEBI on April 16, 2020 has communicated its acceptance to the settlement proposal of the Company and its promoters. Accordingly, on April 30, 2020 the Company has paid ₹ 22 million and the promoters cumulatively have paid ₹ 198.2 million to SEBI towards settlement amount for settlement of the above matter.

SEBI vide settlement order dated May 6, 2020 disposed of all the enforcement proceedings of SEBI in respect of the aforesaid allegations against the Company and the Promoters and the matter was closed.

However, SEBI on October 23, 2020 informed some of the Promoters that there are some calculation errors in the Settlement amounts and asked them to make good certain amounts for which the said promoters have filed a writ petition before Hon'ble High Court of Telangana, at Hyderabad. The Hon'ble High Court on November 18, 2020 has granted interim relief to the said promoters by way of suspension of the SEBI direction dated October 23, 2020, subject to depositing of around ₹ 17.5 million with SEBI. Accordingly, the said amount was deposited by the Promoters and presently the matter is pending for disposal before Hon'ble High Court of Telangana, at Hyderabad.

There were no proceedings pending in the above matter against the Company with SEBI.

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

We hereby certify that:

We have reviewed financial statement and cash flow statement for the financial year ended March 31, 2023 and that to the best of our knowledge and belief:

- a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- c. 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;
- d. We accept responsibility for establishing and maintaining internal controls for financials reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we have aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee that there are no:

- a. Significant changes in internal control over financial reporting during the year;
- b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- c. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For **Aurobindo Pharma Limited**

Place: Hyderabad
Date: May 27, 2023

K. Nityananda Reddy
Vice Chairman & Managing Director
DIN: 01284195

Santhanam Subramanian
Chief Financial Officer

Certificate on Compliance with the conditions of Corporate Governance under Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members of
Aurobindo Pharma Limited

I have examined the compliance of conditions of corporate governance by Aurobindo Pharma Limited (The Company) for the financial year ended March 31, 2023, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from April 1, 2022 to March 31, 2023.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to review the procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

In my opinion and to the best of our information and according to the explanations given to me, I certify that the Company has complied with the conditions of corporate governance as stipulated in the above Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date: May 27, 2023

S. Chidambaram
Practicing Company Secretary
C.P. No.2286
UDIN: F003935E000365318

Independent Auditor's Report

To The Members of AUROBINDO PHARMA LIMITED

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of AUROBINDO PHARMA LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (ICAI) 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Revenue recognition — Refer to note 20 of the Standalone financial statements:</p> <p>Refer to Note 2.2(c) of the summary of significant accounting policies.</p> <p>The Company recognises revenue from sale of API, Intermediates and Formulations based on the terms and conditions of transactions which varies with different customers which define the timing of the transfer of control to the customer. For revenue recognized during the period near to the Balance Sheet date, it is essential to ensure that the control of goods have transferred to the customers.</p> <p>Dispatch of goods to the customer's location happens from multiple locations including factories, warehouses and third-party locations.</p> <p>Revenue recognition being subject to the manual exercise of tracking the evidence of delivery and ascertaining the revenue recognition date against each invoice, we identified the Cut-off of revenue as a key audit matter</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> Evaluated the Company's revenue recognition policy and assessed compliance with the Indian Accounting Standard (Ind AS). Obtained an understanding of the revenue recognition process and tested the company's controls around the timely and accurate recording of sales transactions including controls around the identification and reversal of cut-off sales. Tested the access and change management controls of the relevant information technology system in which shipments are recorded. Basis of the sales recorded during the year, performed a lead time analysis to arrive at the average lead time taken for transfer of control to the customers from the date of dispatch, against the various INCOTERMS We selected samples from invoices recorded during such lead sales time immediately before the balance sheet date and obtained evidence of delivery to support the revenue recognition / reversal of revenue as the case may be.

Sr. No.	Key Audit Matter	Auditor's Response
2	<p>Inventory Existence and Valuation — Refer to Note 11 of the Standalone financial statements:</p> <p>Refer to Note 2.2(g) of the summary of significant accounting policies.</p> <p>The carrying value of inventories as at March 31, 2023 is ₹41,252.6 million.</p> <p>Inventories are located at multiple locations including factories, warehouses and third party locations.</p> <p>Inventories are valued at lower of cost, determined on weighted average basis and net realisable value. Raw material costs include cost of purchase and other costs incurred in bringing the inventories to their present location and condition.</p> <p>Finished goods and work-in-progress costs include direct material, labour and a proportion of manufacturing overheads based on the normal operating capacity.</p> <p>Inventory valuation is carried out across the units in excel spreadsheets based on the quantitative inputs extracted from the books of accounts.</p> <p>Existence and Valuation of Inventory has been considered as a key audit matter due to:</p> <ol style="list-style-type: none"> Significance of the inventory balance to the total assets as per standalone financial statements. Multiple locations that inventory is held at. Valuation of inventory in a non-automated environment, and the resultant likelihood of material misstatement resulting from errors in computation. 	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> Evaluated the Company's inventory accounting policies and assessing compliance with the relevant accounting standards. Evaluated the design and testing the implementation and operating effectiveness of the Company's internal controls over physical verification of inventory, inventory valuation and accounting. Evaluated the design, implementation and operating effectiveness of general IT controls and key application controls over the Company's IT systems including those relating to recording of inventory quantities on occurrence of each transaction, including access controls, controls over program changes. For the selected locations, observed the physical verification conducted by management near to the year end and tested the roll forward procedures performed by management on a sample basis. Tested the costs as calculated by the management on a sample basis by verifying underlying records such as purchase invoices, cost sheets, overhead allocations and capacity utilization certificates. Compared the cost of the Raw material, Finished goods and Work In Progress with the estimated net realizable value and checked if those inventories were recorded at net realizable value where the cost was higher than the net realizable value.
3	<p>Assessment of impairment of investments in and unsecured loans given to subsidiaries and joint ventures — Refer to Note 4 of the standalone financial statements</p> <p>Refer to note 2.1(d)(v) of the summary of significant accounting policies.</p> <p>The carrying value of investments in and unsecured loans given to certain subsidiaries and joint ventures is ₹50,462 million.</p> <p>The Company performs annual assessment of investments to identify any indicators of impairment. Based on internal and external factors considered, where such evidence exists, impairment loss is determined and recognised in accordance with note 2.1(d)(v) of accounting policies to the standalone financial statements.</p> <p>The Company's evaluation of impairment of its investments involves comparison of their recoverable value to their corresponding carrying values. The Company used the discounted cash flow model to estimate recoverable values, which requires management to make estimates and assumptions related to forecasts of future Revenues, operating margins, and discount rates. Changes in these assumptions could have a significant impact on either the recoverable value, the amount of any impairment charge, or both.</p> <p>We considered this as a Key Audit Matter due to the materiality of the investments, and because the Company's assessment of the recoverable values involves judgements around the future results of the business and the discount rates applied to future cash flow forecasts.</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> Evaluated the design, tested the implementation and operating effectiveness of the internal controls over impairment assessment process, including those over the forecasts made and the selection of the appropriate discount rate. Evaluated the impairment indicator assessment performed by the Company considering quantitative and qualitative factors. Evaluated the reasonableness of the Management's estimates and judgements through discussion with management and by comparing the forecasts to historical revenues, margins, growth rate etc. With the assistance of our internal fair value specialists, evaluated the reasonableness of the valuation methodology, discount rate and other key business assumptions used in the assessment. Tested the mathematical accuracy of the model to conclude that the model is accurately calculating the value in use. Performed sensitivity analysis around these key estimates to ascertain the extent of change in those assumptions that either individually or collectively would be required for the investments and loans tested were to be impaired. Evaluated the adequacy of disclosures made in the standalone financial statements.

Sr. No.	Key Audit Matter	Auditor's Response
4	<p>Litigation, Claims and Contingent Liabilities - Refer to note 30 of the standalone financial statements.</p> <p>Refer to Note 2.2(m) of the summary of significant accounting policies.</p> <p>The Company is involved in various legal proceedings including, product liability, contracts, investigations, disputed taxes and other regulatory matters relating to conduct of its business.</p> <p>Most of the claims involve complex legal and regulatory issues. The Company, assisted by their external legal counsel assesses the need to make provision or disclose a contingency on a case-to-case basis considering the underlying facts of each litigation. The Company's conclusions may result in an incorrect Provision or disclosure in the Standalone financial statements considering the aforesaid assessment involves significant judgement to be exercised by the Company based on current developments. Further, unexpected adverse outcomes could also significantly impact the Company's reported results.</p> <p>Given the different views possible, basis the interpretations, complexity and the magnitude of the potential exposures, and the judgement necessary to determine required disclosures, this is a key audit matter.</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> Understood the process, evaluated the design and implementation of controls and tested the operating effectiveness of the Company's controls over the recording and assessment of uncertain legal positions, claims & contingent liabilities. Held discussions with management including the person responsible for legal & compliance to obtain an understanding of the factors considered by management in classification of the matter as probable, possible and remote. Examined the Company's legal expenses on sample basis and read the minutes of the board meetings in order to ensure completeness. Circulated, obtained and read legal confirmations from Company's external legal counsels in respect of material litigations and considered probability assessment of the outcomes. Examined documents in the Company's possession concerning litigation and claims, legal advice/opinion received by the company. Obtained corroborative evidence to confirm the status & existence of the litigation. Evaluated the adequacy of disclosures made in the standalone financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Board's Report, Business Responsibility and Sustainability Report and Report on Corporate Governance, including Annexures, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is 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 financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement 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, management is 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 Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 standalone 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists

related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 Section 143(3) of the Act, based on our audit 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 Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements (Refer note 30(c) to the standalone financial statements).
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv.
 - a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 51(v) 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.
 - b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the note 51(vi) 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 Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- c) 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 (a) and (b) above, contain any material misstatement.
- v.
 - a. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.
 - b. The interim dividend declared and paid by the Company during the year and until the date of this report is in accordance with section 123 of the Companies Act 2013.

- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

C Manish Muralidhar
(Partner)
(Membership No. 213649)

Place: Hyderabad
Date: May 27, 2023
UDIN: 23213649BGBVBS5552

Annexure “A” to The Independent Auditor’s Report

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

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to standalone financial statements of **AUROBINDO PHARMA LIMITED** (“the Company”) as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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 financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A company’s internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

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

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

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to standalone financial

statements 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.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm’s Registration No. 008072S)

C Manish Muralidhar
(Partner)
(Membership No. 213649)

Place: Hyderabad
Date: May 27, 2023
UDIN: 23213649BGBVYS5552

Annexure B to The Independent Auditor's Report

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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital-work-in-progress and relevant details of right-of-use assets.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of Property, Plant & Equipment, capital work-in-progress and right-of-use assets so to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant & Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in Property, Plant and Equipment, capital work-in progress, according to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

Description of property	Gross Carrying Value (In ₹ millions)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
Freehold land located in Telangana admeasuring 24 Acres 15 Guntas	3.1	Sri Chakra Remedies Limited	No	Since 2001	The title deeds are in the name of the erstwhile Company that was amalgamated with the Company pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Andhra Pradesh dated April 3, 2001.
Building located in Telangana	35.3	Sri Chakra Remedies Limited	No	Since 2001	
Freehold land located in Telangana admeasuring 26 Acres 27 Guntas	3.4	Ranit Pharma Limited	No	Since 2003	The title deeds are in the name of the erstwhile Company that was amalgamated with the Company pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Andhra Pradesh dated April 9, 2003.
Freehold land located in Telangana admeasuring 1 Acre 20 Guntas	0.3	Senor Organics Private limited,	No	Since 2007	The title deeds are in the name of the erstwhile Company that was amalgamated with the Company pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Andhra Pradesh dated June 21, 2007.
Freehold land located in Andhra Pradesh admeasuring 69 Acres 27 Cents	96.5	Hyacinths Pharma Private Limited	No	Since 2019	The title deeds are in the name of the erstwhile Company that was amalgamated with the Company pursuant to the Scheme of Amalgamation sanctioned by the National Company Law Tribunal, Hyderabad dated March 30, 2021
Freehold land located in Andhra Pradesh admeasuring 109 Acres 5 Cents	85.3	APL Research Center Limited	No	Since 2019	
Freehold land located in Andhra Pradesh admeasuring 4 Acres 36 Cents	19.3	Silicon Life Sciences Private Limited	No	Since 2019	
Building located in Andhra Pradesh	213.7	Silicon Life Sciences Private Limited	No	Since 2019	

Description of property	Gross Carrying Value (In ₹ millions)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
Freehold land located in Andhra Pradesh admeasuring 43 Acres 16 Cents	103.7	Ramky Pharma city (India) Limited and Andhra Pradesh Industrial Infrastructure corporation Limited	No	Since 2005	Agreement of Sale to the Company is completed and registration in favour of Company is completed on May 22, 2023.
Freehold land located in Telangana admeasuring 37 Acres 37 Guntas	47.7	TSIIC (Agreement for Sale of Land)	No	Since 2016	Agreement of Sale to the Company is completed and fulfillment of conditions to transfer the title deeds is in progress
Freehold land located in Telangana admeasuring 4 Acres 39 Guntas	6.9	APIIC (Alienation of Government land)	No	Since 2010	Government has alienated the Land for the purpose of development and expansion of unit.
Freehold land located in Andhra Pradesh admeasuring 25 Acres 72 Cents	12.9	APIIC (Alienation of Government land)	No	Since 2010	
Freehold land located in Telangana admeasuring 3 Acres 6 Guntas	1.0	TSIIC (Alienation of Government land)	No	Since 2004	

- (d) The Company has not revalued any of its Property, Plant and Equipment including Right of Use assets and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories except for goods-in-transit and stocks held with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in-transit, the goods have been received subsequent to the year-end or confirmations
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising (stock statements, book debt statements and statements on ageing analysis of the debtors/other receivables, and other stipulated financial information filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.
- have been obtained from the parties. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

- (iii) The Company has made investments in and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

- (a) The Company has made investment in, provided loans or advances in the nature of loans and stood guarantee during the year and details of which are given below:

Particulars	₹ Millions		
	Investments	Guarantees	Loans
Aggregate amount granted / provided during the year:			
Subsidiaries	11,973.8	16,650.0	26,350.0
Others	41.0	-	110.3
Balance outstanding as at balance sheet date in respect of above cases:			
Subsidiaries	80,708.1	15,650.0	24,863
Others	1,509.6	990.0	134.1

- (b) The investments made, guarantees provided and the terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) None of the loans or advances in the nature of loans granted by the Company have fallen due during the year.
- (f) According to information and explanations given to us and based on the audit procedures performed, 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 during the year. Hence, reporting under clause (iii)(f) is not applicable.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans
- granted, investments made and guarantees and securities provided, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

₹ In Millions					
Name of the Statute	Nature of dispute	Gross Amount	Amount paid under protest	Period to which the amount relates	Forum where Dispute is pending
Central Excise Act, 1944	Excise Duty	56.5	-	2004-2015	High Court of Telangana
		1,289.2	7.9	2004-2018	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Hyderabad
		2.3	2.3	2007-2010	Revision Authority, New Delhi
Customs Act, 1962	Custom Duty	14.4	0.7	2002-2015	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Chennai
		65.0	6.5	2011-2015	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Hyderabad
		4.0	0.4	2012-2015	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai
		4.7	3.7	2011-2013	Deputy Commissioner, Vishakhapatnam
Finance Act, 1994	Service Tax	21.4	-	2021-2022	Deputy Commissioner, Ameerpet GST division
		70.0	5.1	2011-2018	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Hyderabad
Goods & Service Tax Act, 2017	Goods & Service Tax	5.0	0.5	2019-2020	Appellate Authority, Vijayawada
Sales Tax and VAT laws	Sales Tax	15.9	3.4	2011-2018	High Court of Telangana
Sales Tax and VAT laws	Sales Tax	13.5	5.6	2014-2017	High Court of Andhra Pradesh
Income Tax Act, 1961	Income Tax	488.2	-	2010-2014	High Court of Telangana
		181.9	-	2014-2015	Income Tax Appellate Tribunal Hyderabad
		28.2	-	2015-2016	Commissioner (Appeals) Hyderabad
		64.6	-	2016-2017	Commissioner (Appeals) Hyderabad
		243.4	-	2017-2018	Income Tax Appellate Tribunal Hyderabad
		206.5	-	2018-2019	Income Tax Appellate Tribunal Hyderabad

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company
- (e) On an overall examination of the financial statements of the Company, the Company has not taken funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associates companies.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up-to the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up-to the date of this report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) The internal audit plan agreed with the internal auditors and approved by the Audit Committee of the Company is for the period April 2022 to Feb 2023. We have considered the internal audit reports of the Company issued till the date of our report covering the period April 2022 to Feb 2023 as per the said approved internal audit plan in determining the nature, timing, and extent of our audit procedures
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable
- (b) The Group does not have any Core Investment Company as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable

- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) 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 financial statements and 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 indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due

- (xx) (a) In respect of other than ongoing projects, there are no unspent CSR amounts for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act. Accordingly, reporting under clause (xx) (a) of the Order is not applicable for the year

- (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Place: Hyderabad
Date: May 27, 2023
UDIN: 23213649BGVBYS5552

C Manish Muralidhar
(Partner)
(Membership No. 213649)

Standalone Balance Sheet

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Note	As at March 31, 2023	As at March 31, 2022
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	3(A)	34,268.7	34,870.9
(b) Capital work-in-progress	3(B)	2,390.9	2,251.5
(c) Right-of-use assets	3(C)	550.1	731.8
(d) Goodwill	3(D)	917.0	69.9
(e) Other intangible assets	3(D)	1,139.2	185.7
(f) Financial assets			
(i) Investments	4(A)	82,217.7	65,843.5
(ii) Loans	5(A)	26,011.5	8,284.3
(iii) Trade receivables	6(A)	-	-
(iv) Other financial assets	7(A)	747.7	1,935.2
(g) Income tax assets (net)	9(A)	2,814.4	2,954.3
(h) Other non-current assets	10(A)	1,042.9	531.3
Total non-current assets		152,100.1	117,658.4
Current assets			
(a) Inventories	11	41,252.6	33,561.8
(b) Financial assets			
(i) Investments	4(B)	0.1	0.1
(ii) Trade receivables	6(B)	45,602.6	39,732.4
(iii) Cash and cash equivalents	12(A)	1,296.5	482.1
(iv) Bank balances other than (iii) above	12(B)	24.9	25.7
(v) Loans	5(B)	79.9	89.7
(vi) Other financial assets	7(B)	1,595.6	15,897.8
(c) Other current assets	10(B)	7,384.2	8,561.5
Total current assets		97,236.4	98,351.1
TOTAL ASSETS		249,336.5	216,009.5
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	585.9	585.9
(b) Other equity	14	178,555.8	170,587.5
Total equity		179,141.7	171,173.4
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liability	30(A)	429.1	605.8
(b) Provisions	16(A)	873.1	50.3
(c) Deferred tax liability (net)	8	2,159.1	2,370.3
Total non-current liabilities		3,461.3	3,026.4
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	41,425.7	18,186.2
(ii) Lease liability	30(A)	176.8	156.9
(iii) Trade payables	17		
(A) total outstanding dues of micro enterprises and small enterprises		465.1	298.9
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		21,558.1	16,312.6
(iv) Other financial liabilities	18	1,023.2	4,894.3
(b) Other current liabilities	19	863.7	927.2
(c) Provisions	16(B)	296.6	1,033.6
(d) Current tax liability (net)	9(B)	924.3	-
Total current liabilities		66,733.5	41,809.7
TOTAL EQUITY AND LIABILITIES		249,336.5	216,009.5
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached.
For **Deloitte Haskins & Sells**
Chartered Accountants
ICAI Firm Registration Number: 008072S

C Manish Muralidhar
Partner
Membership No: 213649

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

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

Santhanam Subramanian
Chief Financial Officer

Dr. M. Sivakumaran
Director
DIN-01284320

B. Adi Reddy
Company Secretary
Membership No:13709

Place: Hyderabad
Date: May 27, 2023

Place: Hyderabad
Date: May 27, 2023

Standalone Statement of Profit and Loss

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Note	Year ended March 31, 2023	Year ended March 31, 2022
I INCOME			
Revenue from operations	20	127,922.8	112,871.4
Other income	21	4,337.6	6,709.9
TOTAL INCOME (I)		132,260.4	119,581.3
II EXPENSES			
Cost of materials consumed	22	72,476.9	57,839.3
Purchases of stock-in-trade		892.3	168.1
Changes in inventories of finished goods and work-in-progress	23	(4,660.0)	455.1
Employee benefits expense	24	16,418.8	16,000.4
Finance costs	25	1,149.8	169.4
Depreciation and amortisation expense	26	4,353.5	4,152.6
Other expenses	27	25,485.6	23,674.5
TOTAL EXPENSES (II)		116,116.9	102,459.4
III PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)		16,143.5	17,121.9
IV Exceptional items	52	-	747.1
V PROFIT BEFORE TAX (III-IV)		16,143.5	16,374.8
VI TAX EXPENSE :			
Current tax	28	4,070.2	3,797.0
Deferred tax	8	(230.8)	(1,969.3)
TOTAL TAX EXPENSE (VI)		3,839.4	1,827.7
VII PROFIT FOR THE YEAR (V-VI)		12,304.1	14,547.1
VIII OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified subsequently to profit or loss:			
(a) Re-measurement of defined benefit liability		78.4	22.6
(b) Income-tax relating to items that will not be reclassified to profit or loss		(19.7)	(5.7)
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX) (VIII)		58.7	16.9
IX TOTAL COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX) (VII+VIII)		12,362.8	14,564.0
X EARNINGS PER EQUITY SHARE	29		
Basic (in ₹)		21.00	24.83
Diluted (in ₹)		21.00	24.83
Nominal value per equity share		1.00	1.00
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached.
For **Deloitte Haskins & Sells**
Chartered Accountants
ICAI Firm Registration Number: 008072S

C Manish Muralidhar
Partner
Membership No: 213649

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

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

Santhanam Subramanian
Chief Financial Officer

Dr. M. Sivakumaran
Director
DIN-01284320

B. Adi Reddy
Company Secretary
Membership No:13709

Place: Hyderabad
Date: May 27, 2023

Place: Hyderabad
Date: May 27, 2023

Standalone Statement of Changes in Equity

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

(A) EQUITY SHARE CAPITAL (REFER NOTE 13)

	Number	Amount
Balance as at April 1, 2022	585,938,609	585.9
Changes in equity share capital during the year	-	-
Balance as at March 31, 2023	585,938,609	585.9
Balance as at April 1, 2021	585,938,609	585.9
Changes in equity share capital during the year	-	-
Balance as at March 31, 2022	585,938,609	585.9

(B) OTHER EQUITY

Particulars	Reserves and surplus						Total
	Capital reserve	Capital redemption reserve	Employee stock options reserve	Securities premium	General reserve	Retained earnings	
Balance as at April 1, 2022	539.8	90.0	-	3,427.9	7,888.4	158,641.4	170,587.5
Profit for the year	-	-	-	-	-	12,304.1	12,304.1
Other comprehensive income (net of tax)	-	-	-	-	-	58.7	58.7
Total comprehensive income	-	-	-	-	-	12,362.8	12,362.8
Dividend paid	-	-	-	-	-	(4,394.5)	(4,394.5)
Balance at March 31, 2023	539.8	90.0	-	3,427.9	7,888.4	166,609.7	178,555.8
Balance at April 1, 2021	539.8	90.0	0.6	3,427.3	7,888.4	146,714.1	158,660.2
Profit for the year	-	-	-	-	-	14,547.1	14,547.1
Other comprehensive income (net of tax)	-	-	-	-	-	16.9	16.9
Total comprehensive income	-	-	-	-	-	14,564.0	14,564.0
Transfer on exercise of employee stock options	-	-	(0.6)	0.6	-	-	-
Dividend paid	-	-	-	-	-	(2,636.7)	(2,636.7)
Balance at March 31, 2022	539.8	90.0	-	3,427.9	7,888.4	158,641.4	170,587.5

Refer note 14B for nature and purpose of reserves

As per our report of even date attached.
For **Deloitte Haskins & Sells**
Chartered Accountants
ICAI Firm Registration Number: 008072S

C Manish Muralidhar
Partner
Membership No: 213649

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

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

Santhanam Subramanian
Chief Financial Officer

Dr. M. Sivakumaran
Director
DIN-01284320

B. Adi Reddy
Company Secretary
Membership No:13709

Place: Hyderabad
Date: May 27, 2023

Place: Hyderabad
Date: May 27, 2023

Standalone Statement of Cash Flows

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
1 CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	16,143.5	16,374.8
Adjustments to reconcile profit before tax to net cash flow:		
Depreciation, amortisation and impairment expense	4,353.5	4,152.6
Exceptional items (refer note 52)	-	747.1
Allowance for credit losses on trade receivables and other advances (net)	186.3	(178.6)
Provisions no longer required written back	(51.6)	(89.6)
Unrealised foreign exchange gain on non derivative assets (net)	(139.9)	(125.3)
Mark-to-market (gain)/loss on derivative foreign currency forward contracts	(87.8)	(274.8)
(Profit)/loss on sale of property, plant and equipment (net) and Intangibles	(133.5)	311.0
Dividend income	(1,648.7)	(4,509.9)
Finance costs	1,130.7	152.0
Interest income	(1,857.1)	(491.0)
Operating profit before working capital changes	17,895.4	16,068.3
Movements in working capital:		
(Increase)/decrease in trade receivables	(5,366.0)	15,923.6
(Increase)/decrease in inventories	(7,399.0)	11,328.3
Decrease in loans	10.5	29.5
Decrease/(increase) in other financial assets	14,537.6	(54.7)
Decrease in other current/non-current assets	727.0	1,818.9
Increase/(decrease) in trade payables	788.9	(1,044.3)
Increase in provision for employee benefits	82.9	74.3
Increase in other financial liabilities	3.8	-
(Decrease)/increase in other current liabilities	(63.6)	43.9
Cash generated from operating activities	21,217.5	44,187.8
Income-tax paid (net)	(3,005.9)	(6,920.7)
Net cash flow generated from operating activities	18,211.6	37,267.1
	(A)	
2 CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment including movement in capital work-in-progress, capital advances and capital creditors	(3,537.5)	(6,140.6)
Purchase of intangible assets and intangible assets under development	(45.4)	(32.4)
Proceeds from sale of property, plant and equipment and Intangibles	232.2	6,434.3
Purchase of non-current investments	(9,391.0)	(18,857.9)
Acquisition of business including certain assets (refer note 44)	(1,689.2)	-
Proceeds from current investments	-	1,290.4
Dividend received from subsidiaries	1,648.7	4,521.9
Loans given to subsidiaries/ joint venture	(26,350.0)	(7,500.0)
Loans repaid by subsidiaries/ joint venture	3,737.5	3,634.2
Interest received	797.1	515.0
Bank balances not considered as cash and cash equivalents (net)	0.8	-
Net cash flow used in investing activities	(34,596.8)	(16,135.1)
	(B)	

Standalone Statement of Cash Flows

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
3 CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from/(repayment of) current borrowings (net)	22,873.1	(21,541.3)
Repayment of lease liabilities	(209.6)	(209.5)
Interest paid	(1,073.4)	(87.6)
Dividends paid on equity shares	(4,395.3)	(2,637.0)
Net cash generated from/(used) in financing activities (C)	17,194.8	(24,475.4)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	809.6	(3,343.4)
Cash and cash equivalents at the beginning of the year	482.1	3,835.8
Effect of exchange differences on cash and cash equivalents	4.8	(10.3)
Cash and cash equivalents at the end of the year (refer note 12(C))	1,296.5	482.1

Note:

- a) The above statement of cash flow has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS-7) "Statement of Cash Flows"
- b) Cash and cash equivalents comprises of:

	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.3	1.2
Balance with banks:		
Current accounts	1,058.3	144.3
Cash credit accounts (net)	237.9	336.6
Total cash and cash equivalents (refer note 12(C))	1,296.5	482.1

- c) Reconciliation of liabilities from financing activities are given below:

Particulars	As at 31 March 2022	Cash flows	Non-cash transactions Foreign exchange loss	As at 31 March 2023
Current borrowings	18,186.2	22,873.1	366.4	41,425.7

Particulars	As at 31 March 2021	Cash flows	Non-cash transactions Foreign exchange loss	As at 31 March 2022
Current borrowings	39,533.1	(21,541.3)	194.4	18,186.2

Refer note 30 A for change in lease liabilities arising from financing activities.

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached.
For **Deloitte Haskins & Sells**
Chartered Accountants
ICAI Firm Registration Number: 008072S

C Manish Muralidhar
Partner
Membership No: 213649

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

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

Santhanam Subramanian
Chief Financial Officer

Dr. M. Sivakumaran
Director
DIN-01284320

B. Adi Reddy
Company Secretary
Membership No:13709

Place: Hyderabad
Date: May 27, 2023

Place: Hyderabad
Date: May 27, 2023

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

1. CORPORATE INFORMATION

Aurobindo Pharma Limited ("the Company") is a public company domiciled in India and was incorporated under the provisions of the Companies Act, 1956 applicable in India. The registered office of the Company is located at Plot No.2, Maitri Vihar, Ameerpet, Hyderabad - 500038, India and the Corporate office is located at Galaxy, Floors: 22-24, Plot No-1, Survey No.83, Hyderabad Knowledge City, Raidurg Panmaktha, Ranga Reddy District, Hyderabad - 500032, Telangana, India. The Company's shares are listed on the BSE Limited and the National Stock Exchange of India Limited in India.

The Company is principally engaged in manufacturing and marketing of active pharmaceutical ingredients, generic pharmaceuticals and related services. The standalone financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorised for issue on May 27, 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

a) Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the "Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

These standalone financial statements comprise the Balance Sheets as at March 31, 2023 and March 31, 2022, the Statements of Profit and Loss, Statements of Changes in Equity and the Statements of Cash Flows for the year ended March 31, 2023 and for the year ended March 31, 2022, and a summary of the significant accounting policies, notes and other explanatory information (together hereinafter referred to as "Standalone Financial Statements")

These standalone financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in these standalone financial statements.

Current vs. Non-current

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to

the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The statement of cash flows have been prepared under indirect method.

b) Functional and presentation currency

These standalone financial statements are presented in Indian rupees (₹), which is the functional currency of the Company. All amounts have been rounded-off to the nearest million, unless otherwise indicated. Transactions and balances with values below ₹0.1 million have been reflected as "0.0" in the standalone financial statements.

c) Basis of measurement

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) are measured at fair value or amortised cost.
- employee defined benefit assets / liability recognised as the net total of the fair value of plan assets, and actuarial losses/gains, and the present value of defined benefit obligation.

d) Use of estimates and judgements

The preparation of the standalone financial statements in conformity with Ind AS requires Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Note 30(A) - Leases: whether an arrangement contains a lease; lease classification.
- Note 30(C) - Contingent liabilities: Measurement and likelihood of occurrence of provisions and contingencies.
- Note 2.2(j), 8 and 28: Provision for income taxes: related tax contingencies and evaluation of recoverability of deferred tax assets.
- Note 31: Assets and obligations relating to employee benefits

Assumptions and estimation uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Defined employee benefit plan (Gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation and accumulated leave obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the Management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in note 31.

(ii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 39 and 41 for further disclosures.

(iii) Depreciation on property, plant and equipment and amortisation of intangible assets

Depreciation on property, plant and equipment is calculated on a straight-line basis based on the useful lives estimated by the Management. The Company, based on technical assessment and Management estimate, depreciates property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The Management believes that useful lives currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment and intangible assets though these in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013.

(iv) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

(v) Impairment of investments in subsidiaries, associates and joint ventures

The Company reviews its carrying value of investments annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

(vi) Intangible assets under development

The Company capitalises acquired intangible asset under development for a project in accordance with the accounting policy. In determining the amounts to be capitalised, Management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. The innovative nature of the product gives rise to some uncertainty as to whether the final approval for the products will be obtained.

(vii) Inventories

The Company estimates the net realisable value (NRV) of its inventories by taking into account their estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence by applying certain percentages over different age category of such inventories, expected loss rate considering the past trend and future outlook. Inventories are written down to NRV where such NRV is lower than their cost.

(viii) Recognition and measurement of other provisions:

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

2.2 Significant accounting policies

a. Foreign currencies

The standalone financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Initial recognition: On initial recognition, transactions in currencies other than the Company's functional currency (foreign currencies) are translated at exchange rates on the date of the transactions.

Conversion: Monetary assets and liabilities denominated in foreign currencies are reported at functional currency spot rate of exchange on that date. 'Non-monetary items that are

measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Exchange differences: Exchange differences arising on the settlement of monetary items or on reporting monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous standalone financial statements, are recognised in profit or loss in the year in which they arise.

b. Fair value measurement

The financial statements have been prepared on the historical cost basis, except for:

- (i) Certain financial instruments that are measured at fair values at the end of each reporting period;
- (ii) Non-current assets classified as held for sale which are measured at the lower of their carrying amount and fair value less costs to sell;
- (iii) Derivative financial instrument and
- (iv) Defined benefit plans – plan assets that are measured at fair values at the end of each reporting period

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

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

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

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

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

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

- Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

The Company determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses market observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. Any change in the fair value of each asset and liability is also compared with relevant external sources to determine whether the change is reasonable.

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

c. Revenue recognition

The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sale of goods: Revenue from contract with customers is recognised when a promise in a customer contract (performance obligation) has been satisfied upon transferring control over the promised goods to the customer. Control is usually transferred upon shipment, delivery to or upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised is based on the consideration expected to be received in exchange for goods, net of trade discounts, volume discounts, sales returns and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, goods and services tax, etc., where applicable. Invoices are payable within contractually agreed credit period. Any additional amounts based on terms of agreement entered into with customers, is recognised in the period when the collectability becomes probable and a reliable measure is available.

Profit Sharing Revenues: The Company from time to time enters into arrangements for the sale of its products in certain markets. Under such arrangements, the Company sells its products to the business partners at a base purchase price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base purchase price. The profit share is typically dependent on the ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement. Revenue in an amount equal to the base purchase price is recognised in these transactions upon delivery of products to the business partners. An additional amount representing the profit share component is recognised as revenue only to the extent that it is highly probable that a significant reversal will not occur.

Out-licensing arrangements: Revenues include amounts derived from product out-licensing agreements. These arrangements typically consist of an initial up-front payment on inception of the license and subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. Non-refundable up-front license fees received in connection with product out-licensing agreements are deferred and recognised over the period in which the Company has continuing performance

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

obligations. Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, if the milestones are considered substantive, or over the period the Company has continuing performance obligations, if the milestones are not considered substantive. If milestone payments are creditable against future royalty payments, the milestones are deferred and released over the period in which the royalties are anticipated to be received.

Rendering of services: Revenue from services rendered is recognised in the profit or loss as the underlying services are performed. Upfront non-refundable payments received are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

Contract balances

Contract assets: Contract assets are recognised when there are excess of revenues earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract

Dividend and interest income

Interest income: Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is recognised with reference to the Effective Interest Rate (EIR) method.

The 'effective interest rate' is the rate that discounts estimated future cash payments or receipts through expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability

Dividend income: Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

d. Property, plant and equipment

Freehold land and buildings (property) and other plant and equipment held for use in the production or supply of goods or services, or administrative purposes are stated at cost less accumulated depreciation and accumulated impairment.

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful life. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any costs directly attributable to bringing the asset to the location and condition necessary for its intended use.

Subsequent expenditure is capitalised only when they increase the future economic benefits embodied. In the specific asset to which they relate. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Assets in the course of construction (Capital work in progress) for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. 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.

Depreciation is provided on the straight-line method, based on the useful life of the assets as estimated by the Management.

The Company, based on technical assessment and Management estimate, depreciates property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The Company has estimated the following useful life to provide depreciation on its property, plant and equipment:

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Freehold land is not depreciated

Nature of the assets	Useful life as estimated by the Management (in years)	Useful life as stated in the Companies Act, 2013 (in years)
Freehold buildings	15 - 60	10 - 60
Plant and equipment	3 - 20	8 - 40
Furniture and fixtures	10	10
Vehicles	4 - 8	8 - 10
Office equipment	5	5

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful life and methods of depreciation of property, plant and equipment are reviewed at each financial period/year end and adjusted prospectively, if appropriate.

e. Goodwill and Other intangible assets

Goodwill

Goodwill represents the excess of purchase consideration over the fair value of assets acquired of the subsidiary companies as on the date of investment. Goodwill is not amortised but is tested for impairment on a periodic basis and impairment losses are recognised where applicable.

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is a Impairment indicator. The estimated useful life and amortisation method are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. Estimated useful lives of intangible assets ranges from 5-10 years.

De-recognition of intangible assets

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

Research and development costs:

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and use or sell the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Acquired research and development intangible assets that are under development are recognised as Intangible assets under development. These assets are not amortised, but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Any impairment is recognised as an expense in the statement of profit and loss.

Subsequent expenditure on in process research and development project acquired separately and recognised as an intangible asset is:

- recognised as an expense, if it is research expenditure.
- recognised as an expense, if its development expenditure that does not satisfy the criteria for recognition as an Intangible asset; and
- added to the carrying amount of acquired in process research and development project, only when it increases the future economic benefits embodied in the specific asset to which it relates and satisfies the recognition criteria

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets relating to products in development and other intangible assets not available for use is tested for impairment annually.

f. Government grants and subsidies

Government grants are recognised when there is reasonable assurance that all attached conditions will be complied with and there is no uncertainty on collection. When the grant relates to an expense item, it is recognised in the statement of profit and loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as deferred income and amortised over the useful life of such assets. Entitlement from government authorities are recognised in the profit or loss as other operating revenue when the right to receive is established as per the terms of the scheme with no future related cost and where there is no significant uncertainty regarding the ultimate collection of the relevant proceeds.

g. Inventories

Inventories are valued at lower of cost, determined on "Weighted average" basis and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, packing materials, stores, spares and consumables: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Finished goods and work-in-progress: cost includes direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity, but excludes borrowing costs.

Stock-in-trade: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

h. Employee benefits

Defined contribution plans

Contribution to funds such as provident fund and Employee State insurance Corporation (ESIC) are defined contribution plans. The Company has no obligation, other than the contribution payable to these funds. The Company recognizes contribution payable to the fund schemes as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plan

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation using projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit and loss in subsequent periods.

Past service costs are recognised in profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Net interest is calculated by applying the discount rate to the net defined liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated absences

Short term compensated absences are provided for based on estimates. The Company treats accumulated leave, as a short-term employee benefit for measurement purposes. Such accumulated leaves are provided for based on an actuarial valuation using the projected unit credit method at the period-end/ year-end. The Company presents the entire liability in respect of leave as a liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond twelve months after the reporting date. These are enhanceable at any point of time and no remeasurement is required.

i. Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). The Management has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment terms ranging from 7 days to 270 days are offered (Refer note 41 (c) i). Terms of payment for sale of services are ranging from on presentation of bill to 270 days.

j. Income tax

Income tax expense comprises of current and deferred tax. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities in accordance with the Indian Income-tax Act, 1961. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. The Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate. The tax rate and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Deferred tax is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised

for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period/year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

k. Leases

The Company assesses at contract inception if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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Assets acquired under leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Where the Company is lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Right of use asset

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using useful life of right-of-use asset. The estimated useful lives of Right-of-use assets are determined as shorter of lease term and estimated useful life of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Lease liabilities

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect

the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Short term leases and leases of low value assets: The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Where the Company is lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

l. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of shares outstanding during the year is adjusted for events such as bonus issue that have changed the number of shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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m. Provisions contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

Contingent liabilities

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably. Contingent liabilities are recognised when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

n. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises of cheques, cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash Management.

o. Borrowing cost

Borrowing costs 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. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of cost of the asset. All other borrowing costs are expensed in the period in which they occur.

p. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication of impairment. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. Impairment losses of continuing operations, are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset

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for the year ended March 31, 2023

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does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods/ years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

q. Financial instruments

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

Financial assets

Initial recognition and measurement
All financial assets excluding trade receivables are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Any financial instrument, which does not meet the criteria for categorization at amortized cost or at FVTOCI (fair value through other comprehensive income), is classified at FVTPL (fair value through profit and loss). In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity instruments:

All equity investments in subsidiaries are measured at cost less impairment. All equity investments in scope of Ind AS 109 - Financial Instruments are measured at fair value. Equity investments which are held for trading are classified as

FVTPL. For all other equity investments, the Company may make an irrevocable election to present in OCI subsequent changes in fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in OCI. There is no recycling of amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain/loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- i) the rights to receive cash flows from the asset have expired, or
- ii) the Company has transferred its rights to receive cash flows from the asset, and the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109 - Financial instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- (i) Financial assets that are debt instruments, and are measured at amortised cost, e.g. loans, deposits, debt securities, etc.
- (ii) Trade receivables that result from transactions that are within the scope of Ind AS 115 - Revenue from contracts with customers.

The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.



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for the year ended March 31, 2023

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For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL (simplified approach). Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR (effective interest rate). When estimating the cash flows, an entity is required to consider:

- (i) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- (ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head other expenses/other income in the statement of profit and loss. ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis. The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The Company enters into supplier credit arrangements (acceptances) whereby lenders such as banks and financial institutions make payments to supplier's banks for import of raw materials. The banks and financial institutions are subsequently repaid by the Company at a later date. These arrangements are in the nature of credit extended in normal operating cycle and these arrangements for raw materials are recognised as Acceptances under other financial liabilities. Interest borne by the Company on such arrangements is accounted as finance costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Derecognition

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

Financial liabilities at amortised cost (Loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior Management determines the change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to the external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any

previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in statement of profit and loss.
FVTPL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to statement of profit and loss at the reclassification date.

Offsetting of financial instruments

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



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r. Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The forward contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

s. Dividend distribution to equity holders of the Company

The Company recognises a liability to make dividend distribution to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Corporate laws in India, a final dividend distribution is authorised when it is approved by the shareholders whereas for interim dividend when authorised by board of directors of the Company. A corresponding amount is recognised directly in equity. Non cash distribution are measured at fair value of the assets distributed with fair value re-measurement recognised directly in equity.

t. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 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 has evaluated and the amendment and there is no impact on 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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3(A). PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Freehold buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Gross carrying value (at cost)							
As at March 31, 2021	1,071.0	13,319.8	48,922.7	1,417.5	314.6	348.1	65,393.7
Additions	94.1	1,347.2	4,813.4	449.1	50.9	145.7	6,900.4
Disposals	-	0.1	258.7	3.0	38.1	8.3	308.2
Disposals on account of slump sale (refer note 42)	62.2	3,379.0	12,321.2	342.0	0.1	65.9	16,170.4
As at March 31, 2022	1,102.9	11,287.9	41,156.2	1,521.6	327.3	419.6	55,815.5
Additions (refer note 44)	289.6	580.1	2,369.7	78.1	94.3	52.7	3,464.5
Disposals	39.8	-	272.3	14.8	64.4	5.2	396.5
As at March 31, 2023	1,352.7	11,868.0	43,253.6	1,584.9	357.2	467.1	58,883.5
Accumulated depreciation							
As at March 31, 2021	-	2,206.2	18,674.8	636.9	164.8	246.6	21,929.3
Charge for the year	-	413.6	3,268.9	134.7	58.5	54.1	3,929.8
Disposals	-	-	172.6	1.9	22.1	8.1	204.7
Disposals on account of slump sale (refer note 42)	-	441.1	4,119.1	113.0	0.1	36.5	4,709.8
As at March 31, 2022	-	2,178.7	17,652.0	656.7	201.1	256.1	20,944.6
Charge for the year	-	437.4	3,235.6	138.0	64.4	55.0	3,930.4
Disposals	-	-	188.7	13.6	52.9	5.0	260.2
As at March 31, 2023	-	2,616.1	20,698.9	781.1	212.6	306.1	24,614.8
Net carrying value							
As at March 31, 2022	1,102.9	9,109.2	23,504.2	864.9	126.2	163.5	34,870.9
As at March 31, 2023	1,352.7	9,251.9	22,554.7	803.8	144.6	161.0	34,268.7

- The title deeds of land and buildings aggregating gross value of ₹629.1 (March 31, 2022: ₹591.8) are pending transfer to the Company's name (refer note 45)
- Depreciation for the year include ₹ Nil (March 31, 2022: ₹0.01) taken as capital expenditure on projects pending capitalisation.
- Refer note 34 for details of capital research and development expenditure.

3(B). CAPITAL WORK-IN-PROGRESS

	Year ended March 31, 2023	Year ended March 31, 2022
Opening balance	2,251.5	7,190.2
Additions during the year*	3,601.1	6,435.7
Disposals on account of slump sale (refer note 43)	-	4,466.9
Disposals	1.2	7.1
Capitalised during the year	3,460.5	6,900.4
Closing balance	2,390.9	2,251.5

*(including expenditure during construction period ₹ Nil (March 31, 2022 ₹304.4)
Refer note 46 for ageing of Capital work-in-progress

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Capital work-in-progress including expenditure during construction period pending capitalisation

	As at March 31, 2023	As at March 31, 2022
Balance brought forward	-	423.4
Add: Incurred during the year		
Salaries, wages and bonus	-	136.8
Consumption of material for testing	-	16.8
Consumption of stores and spares	-	75.7
Power and fuel	-	90.8
Conversion charges	-	5.6
Rates and taxes	-	3.1
Printing and stationery	-	1.7
Postage, telegram and telephones	-	0.2
Insurance	-	3.3
Legal and professional charges	-	0.5
Travelling and conveyance	-	6.8
Factory maintenance	-	10.6
Miscellaneous expenses	-	5.4
	-	780.7
Less: Transferred to Subsidiary company on business transfer	-	727.4
Less: Capitalised to property, plant and equipment during the year	-	53.3
Closing balance	-	-

3(C). RIGHT-OF-USE ASSETS

	Land	Building	Total
Gross carrying value (at cost)			
As at March 31, 2021	379.1	935.3	1,314.4
Additions	17.1	4.1	21.2
Disposals	135.0	6.9	141.9
Disposals on account of slump sale (refer note 42)	86.5	-	86.5
As at March 31, 2022	174.7	932.5	1,107.2
Additions	-	-	-
Disposals	7.4	117.3	124.7
As at March 31, 2023	167.3	815.2	982.5
Accumulated depreciation			
As at March 31, 2021	45.4	160.2	205.6
Charge for the year	20.8	164.6	185.4
Disposals	5.5	3.8	9.3
Disposals on account of slump sale (refer note 42)	6.3	-	6.3
As at March 31, 2022	54.4	321.0	375.4
Charge for the year	18.6	163.1	181.7
Disposals	7.4	117.3	124.7
As at March 31, 2023	65.6	366.8	432.4
Net carrying value			
As at March 31, 2022	120.3	611.5	731.8
As at March 31, 2023	101.7	448.4	550.1

Refer note 30 (A) for details of leases.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

3(D). GOODWILL, OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

	Goodwill	Licenses	Trade Marks	Intangible assets under development
Gross carrying value (at cost)				
As at March 31, 2021	69.9	111.0	-	158.7
Additions	-	145.4	-	32.4
Disposals*	-	-	-	191.1
As at March 31, 2022	69.9	256.4	-	-
Additions (refer note 44)	917.0	264.7	884.3	-
Disposals	-	111.1	-	-
As at March 31, 2023	986.9	410.0	884.3	-
Accumulated amortisation				
As at March 31, 2021	-	33.4	-	-
Charge for the year	-	37.3	-	-
Disposals	-	-	-	-
As at March 31, 2022	-	70.7	-	-
Charge for the year	69.9	83.1	88.4	-
Disposals	-	87.1	-	-
As at March 31, 2023	69.9	66.7	88.4	-
Net carrying value				
As at March 31, 2022	69.9	185.7	-	-
As at March 31, 2023	917.0	343.3	795.9	-

*Intangible assets under development of ₹45.8 disposed on account of slump sale to Company's wholly owned subsidiary during the previous year.

For the purpose of impairment testing carrying amount of Goodwill has been allocated to the following Cash generating unit (CGU):

Particulars	As at March 31, 2023	As at March 31, 2022
Hyacinths Pharma Private Limited (merged w.e.f 01 April 2019)	-	69.9
India Business formulation (refer note 44)	917.0	-

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

4. INVESTMENTS

(A) Non-current investments

	Face value	As at March 31, 2023		As at March 31, 2022	
		Number of shares (% of interest)	Amount	Number of shares (% of interest)	Amount
Investments in unquoted equity shares (fully paid, carried at cost, unless stated otherwise)					
In subsidiaries					
Aurobindo Pharma USA Inc, USA*	-	100% of paid-in-capital	2,832.5	100% of paid-in-capital	2,832.5
APL Pharma Thai Limited, Thailand	Baht 100	979,200 (97.9%)	145.6	979,200 (97.9%)	145.6
Aurobindo Pharma Industria Farmaceutica Ltda, Brazil	Real 1	10,124,795(99.97%)	260.0	10,124,795(99.97%)	260.0
Helix Healthcare B.V., The Netherlands	Euro 10	30,188,957(100%)	23,107.4	28,788,957 (100%)	21,924.1
APL Health Care Limited, India	₹10	216,000,000(100%)	2,160.0	216,000,000 (100%)	2,160.0

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Face value	As at March 31, 2023		As at March 31, 2022	
		Number of shares (% of interest)	Amount	Number of shares (% of interest)	Amount
All Pharma (Shanghai) Trading Company Limited, China	-	100% of paid-in-capital	27.5	100% of paid-in-capital	27.5
Aurobindo Pharma Produtos Farmaceuticos Ltda, Brazil	Real 1	99,000(100%)	2.1	99,000(100%)	2.1
Auronext Pharma Private Limited, India	₹10	124,984,028(100%)	1,298.6	124,984,028(100%)	1,298.6
Auro Peptides Limited, India	₹10	95,000(95%)	1.0	95,000(95%)	1.0
Auro Pharma India Private Limited, India	₹10	100,000(100%)	1.0	100,000(100%)	1.0
Auro Active Pharma Private Limited, India	₹10	81,000,000(100%)	810.0	23,000,000(100%)	230.0
Curateq Biologics Private Limited, India	₹10	100,000,000(100%)	1,000.0	100,000,000(100%)	1,000.0
Aurozest Private limited, India	₹10	100,000(100%)	1.0	100,000(100%)	1.0
Aurobindo Pharma Foundation Pvt Ltd (Section 8 Company), India	₹10	10,000(100%)	0.1	10,000(100%)	0.1
Eugia Pharma Specialities Limited, India	₹10	440,110,218(100%)	4,401.1	440,110,218(100%)	4,401.1
Mviyes Pharma Ventures Private Limited, India	₹10	150,249,382(100%)	2,742.1	150,249,382(100%)	2,742.1
Aurobindo Antibiotics Private Limited, India	₹10	1,000,000(100%)	10.0	1,000,000(100%)	10.0
Auro Vaccines Private Limited, India	₹10	100,000(100%)	1.0	100,000(100%)	1.0
GLS Pharma Limited, India (refer note 1)	₹10	614,458(51%)	280.5	-	-
Lyfius Pharma Private Limited, India (refer note 2)			4.1	-	-
In joint ventures					
Tergene Biotech Private Limited, India	₹10	9,040,000(80%)	90.4	9,040,000(80%)	90.4
Raidurgam Developers Limited, India	₹10	4,000,000(40%)	40.0	4,000,000(40%)	40.0
In Associates					
NVNR (Ramannapet I) Power Plant Private Limited, India	₹10	520,000(26%)	5.2	520,000(26%)	5.2
NVNR (Ramannapet II) Power Plant Private Limited, India	₹10	520,000(26%)	5.2	520,000(26%)	5.2
In others (At fair value through profit and loss)					
Jeedimetla Effluent Treatment Limited, India	₹100	753	0.1	753	0.1
Patancheru Envirotech Limited, India	₹10	103,709	1.0	1,03,709	1.0
Progressive Effluent Treatment Limited, India	₹100	1,000	0.1	1,000	0.1
Synergy Remedies Private Limited, India	₹10	10,489,500	150.0	1,04,89,500	150.0
			39,377.6		37,329.7
Less: Provision for impairment in value of investments			2,533.9		2,533.9
		A	36,843.7		34,795.8

	Face value	As at March 31, 2023		As at March 31, 2022	
		Quantity	Amount	Quantity	Amount
Investments in unquoted preference shares (fully paid, carried at cost, unless stated otherwise)*					
In subsidiaries					
Auro Peptides Limited, India	₹100	20,175,000	2,017.5	15,975,000	1,597.5
(9.5% Cumulative Preference shares redeemable at par ranging from five years to twenty years from the date of issue)					
APL Health Care Limited, India	₹100	600,000	60.0	600,000	64.1
(9.5% Cumulative Preference shares redeemable at par within five years from the date of issue)					

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Face value	As at March 31, 2023		As at March 31, 2022	
		Quantity	Amount	Quantity	Amount
In joint ventures					
Tergene Biotech Private Limited, India	₹100	2,890,000	289.0	2,480,000	255.9
(10.5% Cumulative Preference shares redeemable at par within six years from the date of issue)					
			2,366.5		1,917.5
Less: Provision for impairment in value of investments			1,281.1		1,281.1
		B	1,085.4		636.4
Investments in unquoted Compulsorily Convertible Debentures (CCDs) (fully paid, carried at cost, unless stated otherwise)*					
In subsidiaries					
Curateq Biologics Private Limited, India	₹10	1,620,000,000	16,200.0	1,180,000,000	11,803.6
(0.1% Compulsorily Convertible Debentures (CCDs) of ₹10/- each)					
[including deemed investment arising from discounting of CCDs]					
APL Health Care Limited, India	₹10	1,050,000,000	10,500.0	1,050,000,000	10,501.5
(0.1% Compulsorily Convertible Debentures (CCDs) of ₹10/- each)					
[including deemed investment arising from discounting of CCDs]					
Auro Vaccines Private Limited, India	₹10	396,000,000	3,960.0	-	-
(0.1% Compulsorily Convertible Debentures (CCDs) of ₹10/- each)					
Aurozest Private Limited, India	₹10	52,000,000	520.0	-	-
(0.1% Compulsorily Convertible Debentures (CCDs) of ₹10/- each)					
Qule Pharma Private Limited, India	₹10	139,000,000	1,390.0	-	-
(0.1% Compulsorily Convertible Debentures (CCDs) of ₹10/- each)					
Lyfius Pharma Private Limited, India	₹10	500,000,000	5,000.0	-	-
(0.1% Compulsorily Convertible Debentures (CCDs) of ₹10/- each)					
		C	37,570.0		22,305.1
Investments in unquoted optionally convertible debentures (fully paid, carried at cost, unless stated otherwise)*					
In subsidiaries					
GLS Pharma Limited, India	₹10	4,000,000	40	-	-
(Interest of 9.5% . These are optionally convertible into equity shares not)					
In joint ventures					
Raidurgam Developers Limited, India	₹1000	831,232	831.2	2,157,800	2,157.8
(Interest of 1.5% to 9.5% over a period of ten years redeemable at par within ten years from date of issue. These are optionally convertible into 100 equity shares per debenture at any time after one year.)					
In Associates					
NVNR (Ramannapet I) Power Plant Private Limited, India	₹10	4,862,000	48.6	4,862,000	48.6

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Face value	As at March 31, 2023		As at March 31, 2022	
		Quantity	Amount	Quantity	Amount
(8% Optionally Convertible Debentures (OCDs) of ₹10/- each)					
NVNR (Ramannapet II) Power Plant Private Limited, India	₹10	4,862,000	48.6	4,862,000	48.6
(8% Optionally Convertible Debentures (OCDs) of ₹10/- each)					
		D	968.4		2,255.0
Investments in unquoted non convertible debentures (fully paid, carried at cost, unless stated otherwise)*					
In subsidiaries					
Eugia Pharma Specialities Limited, India	₹10	575,000,000	5,750.0	575,000,000	5,851.0
(7.5% Non Convertible Debentures (NCDs) of ₹10/- each)					
[including deemed investment arising from discounting of NCDs]					
Unquoted investment in government securities (Carried at fair value through profit and loss)					
National Savings Certificate (includes held by Income tax authorities ₹0.1 (31 March 2021: ₹0.1))			0.2		0.2
			F		0.2
		A+B+C+D+E+F	82,217.7		65,843.5
Aggregate value of unquoted investments			82,217.7		65,843.5
Aggregate amount of impairment in value of investments			3,815.0		3,815.0
Movement in provision for impairment in value of investments:					
Opening balance			3,815.0		3,175.0
Provision made during the year towards Auro Peptides Limited (refer note 52)			-		640.0
Closing balance			3,815.0		3,815.0

*Includes employee stock options given to group employees considered as investment as per Ind AS-102 share based payments.

*Previous year figures are at amortised cost.

Note:

- The Board of Directors of the company at its meeting held on June 17, 2022 approved investment in GLS Pharma Limited (GLS) through subscription of 204,819 equity shares for an aggregate consideration of ₹93.5 (constituting 17% of the equity share capital of GLS) and acquisition of 409,339 equity shares from the selling shareholders for an aggregate consideration of ₹187 (constituting 34% of the equity share capital of GLS).

During the Quarter ended June 30, 2022 the company subscribed to 204,819 equity shares of GLS consequent to execution of share subscription and purchase agreement. During the year on satisfaction of the closing conditions, the company acquired the additional 409,339 equity shares. As at March 31, 2023 the company holds 51% of the equity shares in GLS.

- Investment of ₹4.1 (March 31, 2022 ₹ Nil) on account of fair valuation of corporate guarantee given by the Company on behalf of Lyfius Pharma Private Limited, a wholly - owned subsidiary of Aurobindo Antibiotics Private Limited

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

(B) Current investments

	Face value	As at March 31, 2023		As at March 31, 2022	
		Quantity	Amount	Quantity	Amount
Investments in unquoted equity shares (fully paid, carried at fair value through profit and loss)					
Citadel Aurobindo Biotech Limited, India	₹100	70,000	-	70,000	-
(At cost less impairment of ₹7.0 (March 31, 2022: ₹7.0))					
Investments in quoted equity shares (fully paid, carried at fair value through profit and loss)					
Union Bank of India (formerly known as Andhra Bank)	₹10	1,469	0.1	1,469	0.1
			0.1		0.1
Aggregate value of unquoted investments			-		-
Aggregate value of quoted investments			0.1		0.1
Market value of quoted investments			0.1		0.1
Aggregate amount of impairment in value of investments			7.0		7.0

Provision for impairment

Investments are tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of each investment. When the recoverable amount of the investment is less than its carrying amount, an impairment loss is recognised.

The recoverable amounts of the above investments have been assessed using a value-in-use model. Value in use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the business. Initially, a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows. Key assumptions upon which the company has based its determinations of value-in-use include :

- Estimated cash flows based on internal budgets and industry outlook for a period of five years and a terminal growth rate thereafter.
- A terminal value arrived at by extrapolating the last forecasted year cash flows to perpetuity, using a constant long-term growth rate ranging from 0-1%. This long term growth rate takes into consideration external macroeconomic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector.
- The after tax discount rates used reflect the current market assessment of the risks specific to the investment, the discount rate is estimated based on the weighted average cost of capital for respective investment. After tax discount rate used range from 14%-15%

The Company believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

5. LOANS

	As at March 31, 2023	As at March 31, 2022
(A) Non current		
Loans receivables considered good - secured	-	-
Loans receivables considered good - unsecured		
Loans to related parties (refer note 37)**	25,958.8	8,229.4
Loans to employees	52.7	54.9
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	1.5	-
	26,013.0	8,284.3
Less: provision for loans	1.5	-
	26,011.5	8,284.3
*Loan of ₹24,862.6 (March 31,2022: ₹7,930.0) has been given to wholly owned subsidiaries towards project development cost, at interest rate of 7.5% p.a.		
#Includes Interest accrued on the loans given amounting to ₹1,096.2 (March 31, 2022 ₹299.4)		
(B) Current		
Loans receivables considered good - secured	-	-
Loans receivables considered good - unsecured		
Loans to employees	79.9	89.7
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	-
	79.9	89.7

No loans are due from directors or other officers of the Company either severally or jointly with any other person. Refer note 37 for dues from related parties.

Included in loans are certain loans given to wholly-owned subsidiaries towards project development cost, the particulars of which are disclosed below as required by section 186(4) of the Companies Act 2013.

Name of the loanee	Rate of Interest	Secured/ Unsecured	As at March 31, 2023	As at March 31, 2022
AuroZest Private Limited, India	7.50%	Unsecured	-	501.1
Lyfius Pharma Private Limited, India	7.50%	Unsecured	2,478.9	2,178.9
Qule Pharma Private Limited, India	7.50%	Unsecured	100.8	1,275.4
Eugia Steriles private limited, India (formerly known as Auro Cure Private Limited)	7.50%	Unsecured	3,883.2	1,019.0
Auro Vaccines Private Limited, India	7.50%	Unsecured	60.3	15.0
Eugia Pharma Specialities Limited, India	7.50%	Unsecured	15,079.2	3,240.0
APL Health Care Limited, India	7.50%	Unsecured	2,100.4	-
Curateq Biologics Private Limited, India	7.50%	Unsecured	2,013.3	-
Auroactive Pharma Private Limited, India	7.50%	Unsecured	242.7	-
			25,958.8	8,229.4

Note: The Amount of Loan and Interest are payable after a period of 3 years from the date of disbursement

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

6. TRADE RECEIVABLES

	As at March 31, 2023	As at March 31, 2022
(A) Non current		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	433.0	358.6
	433.0	358.6
Less: loss allowance	433.0	358.6
	-	-
(B) Current		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	45,602.6	39,732.4
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	381.5	291.3
	45,984.1	40,023.7
Less: loss allowance	381.5	291.3
	45,602.6	39,732.4

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person or debts due from firms or private companies respectively in which any director is a partner or a director or member. Refer note 37 for dues from related parties.

Refer Note 41 for the Company's credit risk management process.

Refer Note 47 and 48 for ageing of trade receivables.

7. OTHER FINANCIAL ASSETS

(Unsecured, considered good unless stated otherwise)

	As at March 31, 2023	As at March 31, 2022
(A) Non current		
Share application money with subsidiaries*	-	1,183.3
Security deposits		
Considered good	747.7	751.9
Doubtful	-	0.4
	747.7	752.3
Provision for doubtful deposits	-	0.4
	747.7	751.9
	747.7	1,935.2
*Represents share application money with subsidiary Helix Healthcare B.V., The Netherlands.		
(B) Current		
Derivatives - foreign currency forward contracts	87.7	274.7
Receivable for capital assets	61.6	-
Receivable for business transfer (refer note 42)	-	15,599.9
Interest accrued on security deposits	32.8	23.2
Interest accrued on investments in debentures and preference shares to subsidiaries	133.5	-
Incentives receivable	1,280.0	-
	1,595.6	15,897.8

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

8. DEFERRED TAX LIABILITY (NET)

	As at March 31, 2023	As at March 31, 2022
Deferred tax assets		
Loss allowance on trade receivables	213.8	167.4
Employee benefits	338.6	270.8
Deferred tax liability		
Property, plant and equipment	2,593.6	2,730.1
Lease liability	117.9	78.4
	(2,159.1)	(2,370.3)

Movement in deferred tax liability (net)

	As at April 1, 2022	Recognised in statement of profit and loss	Recognised in OCI	As at March 31, 2023
Deferred tax asset				
Loss allowance on trade receivables	167.4	46.4	-	213.8
Employee benefits	270.8	87.5	(19.7)	338.6
Deferred tax liability				
Property plant and equipment	2,730.1	(136.5)	-	2,593.6
Lease liability	78.4	39.5	-	117.9
	(2,370.3)	230.8	(19.7)	(2,159.1)

	As at April 1, 2021	Recognised in statement of profit and loss	Recognised in OCI	As at March 31, 2022
Deferred tax asset				
Loss allowance on trade receivables	326.2	(158.8)	-	167.4
Employee benefits	359.9	(83.4)	(5.7)	270.8
Deferred tax liability				
Property plant and equipment	4,961.6	(2,231.5)	-	2,730.1
Lease liability	58.3	20.1	-	78.4
	(4,333.8)	1,969.2	(5.7)	(2,370.3)

9. INCOME TAX ASSETS (NET)

	As at March 31, 2023	As at March 31, 2022
(A) Income tax assets (net) - Non-Current		
Tax assets	30,738.0	45,592.3
Tax provisions outstanding	27,923.6	42,638.0
	2,814.4	2,954.3
(B) Income tax liability (net) - Current		
Tax provision	4,070.2	-
Advance Tax (Including TDS receivable)	3,145.9	-
	924.3	-

Refer note 28 for details of income tax expense

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

10. OTHER ASSETS

(Unsecured, considered good unless stated otherwise)

	As at March 31, 2023	As at March 31, 2022
(A) Non current		
Export incentives receivable		
Considered good	-	-
Doubtful	68.2	73.6
	68.2	73.6
Provision for doubtful receivables	68.2	73.6
	-	-
Export rebate claims receivable	537.8	288.8
Capital advances		
Considered good	56.2	74.1
Doubtful	15.6	1.1
	71.8	75.2
Provision for doubtful advances	15.6	1.1
	56.2	74.1
Advances other than capital advances		
Considered good	33.9	-
Doubtful	30.0	30.0
	63.9	30.0
Provision for doubtful advances	30.0	30.0
	33.9	-
Balance with government authorities		
Considered good*	415.0	168.4
Doubtful	0.4	-
	415.4	168.4
Provision for doubtful receivables	0.4	-
	415.0	168.4
	1,042.9	531.3

*Balance with government authorities include restricted deposits pledged with Enforcement Directorate of ₹131.6 (March 31, 2022: ₹131.6)

	As at March 31, 2023	As at March 31, 2022
(B) Current		
Export rebate claims receivable	2,524.7	1,670.1
Export incentives receivable	147.0	1,373.4
Advances other than capital advances		
Considered good	1,499.7	2,099.3
Doubtful	8.8	-
	1,508.5	2,099.3
Provision for doubtful advances	8.8	-
	1,499.7	2,099.3
Balance with government authorities	3,212.8	3,418.7
	7,384.2	8,561.5

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

11. INVENTORIES

(Valued at lower of cost and net realisable value)

	As at March 31, 2023	As at March 31, 2022
Raw materials	17,558.4	15,057.1
Packing materials	1,584.5	1,115.8
Work-in-progress	12,148.7	9,813.9
Finished goods	8,287.7	6,119.5
Finished goods - Traded goods	157.0	-
Stores, spares and consumables	1,516.3	1,455.5
	41,252.6	33,561.8
Details of material in transit included in inventories above		
Raw materials, packing materials and stores	670.0	268.4
Finished goods	5,031.8	3,686.2

During the year, the Company recorded inventory (write-up) / write-downs to net realisable value of ₹315.2 (March 31, 2022: ₹(1,095.3)). These adjustments were included in cost of material consumed and changes in inventories.

12. CASH AND BANK BALANCES

	As at March 31, 2023	As at March 31, 2022
(A) Cash and cash equivalents		
Balance with banks:		
in current accounts	1,058.3	144.3
in cash credit accounts	237.9	336.6
Cash on hand	0.3	1.2
	1,296.5	482.1
(B) Bank balances other than cash and cash equivalents		
in unpaid dividend account	24.9	25.7
(C) For the purpose of statement of cash flows, cash and cash equivalents comprise of following:		
Cash and cash equivalents as above	1,296.5	482.1

13. EQUITY SHARE CAPITAL

a) Authorised

	As at March 31, 2023	As at March 31, 2022
1,790,500,000 (March 31, 2022: 1,790,500,000) equity shares of ₹1 each	1,790.5	1,790.5
82,10,000 (March 31, 2022: 82,10,000) preference shares of ₹100 each	821.0	821.0
	2,611.5	2,611.5

b) Issued, subscribed and fully paid-up equity shares

	Equity Shares	
	Numbers	Amount
As at April 1, 2021	585,938,609	585.9
As at March 31, 2022	585,938,609	585.9
As at March 31, 2023	585,938,609	585.9

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

c) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹1 per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

For the year ended March 31, 2023, the amount of interim dividend per share declared as distributions to equity shareholders was ₹3.0 (March 31, 2022: ₹4.5).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Details of shareholders holding more than 5% total number of equity shares in the Company (refer note 49)

	As at March 31, 2022	
	Numbers	% holding
RPR Sons Advisors Private Limited and Mrs. P. Suneela Rani (Joint Holders)*	196,376,250	33.51%

	As at March 31, 2023	
	Numbers	% holding
RPR Sons Advisors Private Limited and Mrs. P. Suneela Rani (Joint Holders)*	196,376,250	33.51%

*As per records of the Company, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownerships of shares and the beneficial ownership is with RPR Enterprises, a partnership firm.

Refer note 49 for shares held by promoters

e) No shares have been allotted without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the reporting date.

14. OTHER EQUITY

A. Summary of other equity balance

	As at March 31, 2023	As at March 31, 2022
Capital reserve	539.8	539.8
Capital redemption reserve	90.0	90.0
Employee stock options outstanding account	-	-
Securities premium account	3,427.9	3,427.9
General reserve	7,888.4	7,888.4
Retained earnings	166,609.7	158,641.4
	178,555.8	170,587.5

a) The disaggregation of changes in reserves and surplus and OCI are disclosed in statement of changes in equity.

b) The details of distribution of dividend made are as under:

	March 31, 2023	March 31, 2022
Cash dividends on equity shares declared and paid during the year		
Interim dividend paid in year ended March 31, 2023: ₹7.5 per share (March 31, 2022: ₹4.5 per share)	4,394.5	2,636.7
	4,394.5	2,636.7

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Proposed dividends on equity shares:

Proposed interim dividend for the year ended March 31, 2023: ₹ Nil per share (March 31, 2022: ₹4.5 per share) not recognised as liability.

B. Nature and purpose of reserves

(a) Capital reserve	Represents capital reserve balances of acquired entities which are transferred to the Company upon mergers .
(b) Capital redemption reserve	The Company has recognised capital redemption reserve on redemption of non-convertible preference shares. The amount in capital redemption reserve is equal to nominal amount of the non convertible preference shares redeemed. This reserve will be utilised in accordance with Section 69 of the Companies Act, 2013.
(c) Employee stock options reserve	The fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to employee stock options reserve. This will be utilised for allotment of equity shares against outstanding employee stock options.
(d) Securities premium	The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. This reserve will be utilised in accordance with provisions of Section 52 of the Companies Act, 2013.
(e) General reserve	The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.
(f) Retained earnings	Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distribution to share holders.

15. CURRENT BORROWINGS

	As at March 31, 2023	As at March 31, 2022
(A) Loans repayable on demand from Banks - working capital loans		
Working capital demand loan (secured)	-	500.0
Working capital demand loan (unsecured)	2,200.0	1,000.8
Packing credit loans (secured)	19,227.8	2,387.5
Packing credit loans (unsecured)	14,978.1	13,438.1
Bill discounting (unsecured)	5,019.8	859.8
	41,425.7	18,186.2
(B) Details of secured and unsecured borrowings		
The aggregate amount of borrowing includes:		
Secured borrowings	19,227.8	2,887.5
Unsecured borrowings	22,197.9	15,298.7

(C) Terms of borrowings

- All secured working capital demand loans are secured by first pari passu charge by way of hypothecation of all the stocks, book debts and other current assets (both present and future) and carry interest rate in the range of 4% to 7.55% (March 31, 2022: interest of 4%).
- All unsecured working capital demand loans carry interest rate in the range of 4.25% to 7.75% (March 31, 2022:4.25%).
- All secured packing credit foreign currency loans carry interest rate in the range of respective SOFR plus 0 to 15 basis points (March 31, 2022: respective LIBOR plus 10 to 25 basis points) with maturity within 6 months.
- All unsecured packing credit foreign currency loans carry interest rate in the range of respective SOFR plus 0 to 160 basis points and respective EURIBOR plus 0 to 150 basis points for EURO and 4.7% linked to 3Month SONIA for GBP (March 31, 2022: respective LIBOR Minus (-5) to Plus 25 basis points) with maturity within 6 months.
- All unsecured bills discounted carry interest rate in the range of respective EURIBOR Plus 40 to 75 basis points (31 March 2022: respective LIBOR plus 0 to 2 basis points).

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

- All secured bills discounted carry interest rate in the range of respective EURIBOR Plus 5 basis points.
- Due to phasing out of LIBOR during the year ended 31 March 2022, Reserve Bank of India has replaced LIBOR with Secured Overnight Finance Rate (SOFR). This change does not have a material impact on carrying value of working capital loans.

16. PROVISIONS

	As at March 31, 2023	As at March 31, 2022
(A) Non-current		
For employee benefits		
Gratuity [refer note 31(b)]	92.6	50.3
Compensated absences [refer note 31(c)]	780.5	-
	873.1	50.3
(B) Current		
For employee benefits		
Gratuity [refer note 31(b)]	-	-
Compensated absences [refer note 31(c)]	296.6	1,033.6
	296.6	1,033.6

17. TRADE PAYABLES

	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (refer note 32)	465.1	298.9
Total outstanding dues of creditors other than micro enterprises and small enterprises	21,558.1	16,312.6
	22,023.2	16,611.5

Refer note 41 for the Company's liquidity risk management process

Refer note 37 for the related party payables

Refer note 50 for trade payables ageing schedule

18. OTHER FINANCIAL LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Current		
Interest accrued but not due	4.6	-
Unclaimed dividend (refer note 33)	24.9	25.7
Capital creditors (refer note 32)	982.0	658.4
Acceptances*	-	4,208.7
Security deposits	7.9	1.5
Fair Value of Corporate Guarantee Liability	3.8	-
	1,023.2	4,894.3

*Acceptances includes credit availed by the Company from banks for payment to suppliers for raw materials purchased by the Company. These are largely repayable within 180 days. (March 31, 2022: interest bearing ranging from 0.15% to 0.24% p.a)

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

19. OTHER CURRENT LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Contract liabilities - advance from customers (refer note 20 (e))	232.4	176.6
Deferred income (EPCG)	14.2	22.6
Statutory liabilities	323.5	298.5
Employee payables	293.6	429.5
	863.7	927.2

20. REVENUE FROM OPERATIONS

	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products (Active Pharma Ingredients (API) and Formulations)	124,063.6	110,594.9
Other contract revenue - sale of services	2,011.8	1,905.8
Other operating revenues		
Scrap sales	171.6	171.5
Government Incentive Schemes	1,675.8	199.2
	127,922.8	112,871.4
(a) Reconciliation of revenue from sale of products with the contracted price:		
Revenue as per contracted price	120,508.9	108,599.7
Adjusted for:		
Sales returns	(927.2)	(631.7)
Sale price adjustments	2,774.5	1,393.4
Profit sharing adjustments	1,707.4	1,233.5
Total revenue from contracts with customers	124,063.6	110,594.9

(b) Disaggregation of revenue:

Primary geographical markets	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Related parties	Other than related parties	Related parties	Other than related parties
India	10,556.2	24,718.3	9,572.0	24,986.9
USA	36,924.2	8,176.8	31,406.7	7,124.1
Europe	13,339.3	10,656.7	11,518.5	11,348.8
Rest of the world	6,861.4	12,830.7	5,031.0	9,606.9

(c) Primary geographical markets

	For the year ended March 31, 2023		For the year ended March 31, 2022	
	API	Formulations	API	Formulations
India	33,278.6	1,995.9	33,587.9	971.1
USA	(107.5)	45,208.3	444.4	38,086.3
Europe	4,255.7	19,740.4	3,573.4	19,293.9
Rest of the world	9,983.3	9,708.9	6,203.9	8,434.0

(d) The amount of revenue recognised during the year from contract liabilities outstanding at the beginning of the year ₹176.6 (March 31, 2022 ₹71.8). Contract liabilities represents amounts received from customers in advance of sale of products. These contract liabilities are expected to be completed within one year.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

21. OTHER INCOME

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income under effective interest rate method		
Security and other deposits carried at amortised cost	39.7	280.0
Loans to subsidiaries and investments in debentures carried at cost	1,817.4	491.0
Dividend income received from subsidiaries	1,648.7	4,509.9
Profit on sale of property, plant and equipment (net) and intangibles	133.5	-
Provision/liabilities no longer required written back	51.6	89.6
Foreign exchange gain (net)	557.9	1,228.0
Miscellaneous income	88.8	111.4
	4,337.6	6,709.9

22. COST OF MATERIALS CONSUMED

	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Raw material consumed		
Opening stock	15,057.1	25,969.5
Add: Purchases	68,473.4	41,254.6
	83,530.5	67,224.1
Less: Closing stock	17,558.4	15,057.1
Cost of raw material consumed (A)	65,972.1	52,167.0
B. Packing material consumed		
Opening stock	1,115.8	2,550.4
Add: Purchases	6,973.5	4,237.7
	8,089.3	6,788.1
Less: Closing stock	1,584.5	1,115.8
Cost of packing material consumed (B)	6,504.8	5,672.3
Cost of materials consumed (A+B)	72,476.9	57,839.3

23. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the end of the year		
Finished goods	8,444.7	6,119.5
Work-in-progress	12,148.7	9,813.9
	20,593.4	15,933.4
Inventories at the beginning of the year		
Finished goods	6,119.5	6,492.6
Work-in-progress	9,813.9	11,725.0
	15,933.4	18,217.6
	(4,660.0)	2,284.2
Inventory transferred on slump sale	-	(1,829.1)
	(4,660.0)	455.1

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

24. EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	15,044.6	14,642.7
Contribution to provident and other funds (refer note 31 a)	540.0	535.3
Gratuity expense (refer note 31 b)	263.7	273.7
Compensated absences expense	269.6	300.8
Staff welfare expenses	300.9	247.9
	16,418.8	16,000.4

25. FINANCE COSTS

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on financial liabilities measured at amortised cost	1,077.9	87.5
Interest on Lease Liability	52.8	64.5
Other borrowing costs	19.1	17.4
	1,149.8	169.4

26. DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment	3,930.4	4,094.5
Depreciation on right of use assets	181.7	20.8
Amortisation and impairment on intangible assets	241.4	37.3
	4,353.5	4,152.6

27. OTHER EXPENSES

	For the year ended March 31, 2023	For the year ended March 31, 2022
Conversion charges	275.3	204.7
Consumption of stores and spares	1,390.7	1,351.2
Chemicals consumed	2,375.7	2,790.2
Power and fuel	6,139.2	4,779.9
Carriage inward	-	449.9
Factory maintenance	285.6	341.7
Effluent treatment expenses	347.2	310.9
Repairs and maintenance		
i) Plant and machinery	1,464.7	1,192.3
ii) Buildings	332.2	333.3
iii) Others	37.7	82.6
Rent (refer note 30(A))	4.2	8.5
Rates and taxes	205.5	243.2
Printing and stationery	187.5	181.1
Postage, telegram and telephones	64.6	73.2
Insurance	505.5	482.6
Legal and professional charges	1,488.2	2,241.0
Directors sitting fees	10.1	11.8
Remuneration to statutory auditors (refer note 35)	16.9	17.9
Sales commission	330.3	210.3
Carriage outwards	5,171.8	3,323.3
Selling expenses	336.6	216.6

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Travelling and conveyance	319.4	123.4
Vehicle maintenance expenses	9.9	8.9
Clinical and analytical charges	1,270.5	1,915.8
Registration and filing charges	972.3	1,036.0
Loss on sale of property, plant and equipment (net)	-	310.9
Allowance for credit losses on trade receivables and other advances (net)	186.3	(178.6)
Corporate Social Responsibility expenditure (CSR) (refer note below)	554.5	570.0
Miscellaneous expenses	1,203.2	1,041.9
	25,485.6	23,674.5

Note: Details of CSR expenditure as per Section 135 of the Companies Act, 2013

	For the year ended March 31, 2023	For the year ended March 31, 2022
- Amount required to be spent by the company during the year	554.5	569.9
- Amount approved by the Board to be spent during the year	554.5	569.9
- Amount spent on:		
i) Construction/acquisition of any asset		
ii) On purposes other than (i) above	554.5*	569.9
- Shortfall at the end of the year	-	-
- Total of previous years shortfall	-	-
- Reason for shortfall	NA	NA
- Nature of CSR activities	Disaster Relief, Education, Skilling, Employment, Entrepreneurship, Health, Wellness and Water, Sanitation and Hygiene, Heritage	
- Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard		
Contribution to Aurobindo Pharma Foundation (Sec 8 Company) in relation to CSR expenditure	554.5	570.0
- Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movement in the provision	NA	NA

*It includes amount of ₹186.6 unspent at Aurobindo Pharma Foundation (Sec 8 Company) and transferred to unspent CSR account.

28. INCOME TAX

The major components of income tax expense for the year ended March 31, 2023 and March 31, 2022 are:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Statement of profit and loss		
Current tax	4,070.2	3,797.0
Deferred tax	(230.8)	(1,969.3)
	3,839.4	1,827.7
Other comprehensive income		
Deferred tax - net loss on remeasurements of defined benefit plan	(19.7)	(5.7)
	(19.7)	(5.7)
Reconciliation of effective tax rate for the year ended March 31, 2023 and March 31, 2022		
Profit before tax	16,143.5	16,374.8
Enacted tax rate in India (refer note (a) below)	25.168%	25.168%
Tax at statutory tax rate	4,063.0	4,121.2

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Effect of :		
Expenses not deductible for tax purposes	167.9	428.6
Dividend received from subsidiaries	(414.9)	(1,135.1)
Remeasurement of deferred tax assets and liabilities due to rate change	-	(920.7)
Deferred tax reversal on account of transfer of units (refer note 43)	-	(610.7)
Others (net)	23.4	(55.6)
Total	(223.6)	(2,293.5)
Income tax expense	3,839.4	1,827.7
Effective tax rate	23.78%	11.16%

Notes:

(a) During the quarter ended March 31, 2022, the Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2022 and re-measured its deferred tax assets / liabilities based on the rate prescribed in the said Section. The impact of this change has been recognised in the statement of profit and loss over the period from April 1, 2021 to March 31, 2022.

(b) There are no unrecognised deferred tax assets and liabilities as at March 31, 2023 and March 31, 2022

29 EARNINGS PER SHARE

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Earnings		
Profit after taxation considered for calculation of basic and diluted earnings per share	12,304.1	14,547.1
Shares		
Weighted average number of equity shares considered for calculation of basic and diluted earnings per share	585,938,609	585,938,609
Earnings per share of face value ₹1/-		
- Basic	21.00	24.83
- Diluted	21.00	24.83

30 COMMITMENTS AND CONTINGENCIES

A. Leases

The Company has lease contracts for land and buildings. The lease term generally varies between 4 to 10 years. These contracts include extension and termination options.

The Company also has certain leases with lease terms of less than 12 months or with low value. The Company applies short term lease and lease of low value assets recognition exemption for these leases.

Changes in lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance as at April 1, 2022	762.7	886.5
Additions	-	21.2
Finance cost	52.8	64.5
Payment of lease liabilities	(209.6)	(209.5)
Closing balance	605.9	762.7
Non-current lease liability	429.1	605.8
Current lease liability	176.8	156.9

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Cash outflow on leases

Particulars	As at March 31, 2023	As at March 31, 2022
Payment of lease liabilities	156.8	145.0
Interest on lease liabilities	52.8	64.5
Total cash outflow on leases	209.6	209.5

Amount recognised in statement of profit and loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation	181.6	185.4
Interest expense	52.8	64.5
Short term and low value leases	4.2	8.5
Total expense relating to leases	238.6	258.4

Contractual maturities of lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	217.1	209.6
1 to 5 years	465.9	664.6
above 5 years	-	18.4
	683.0	892.6

B. Capital and other commitments

	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	826.0	1,246.8

C. Contingent liabilities

	As at March 31, 2023	As at March 31, 2022
Claims against the Company not acknowledged as debt		
Claims arising from disputes not acknowledged as debts - indirect taxes (excise duty and service tax)*	597.0	681.3
Claims arising from disputes not acknowledged as debts - direct taxes*	254.6	492.6
Claims against the Company not acknowledged as debts - other duties/claims [^]	149.3	149.3

*in respect of above matters, future cash outflows in respect of contingent liabilities are determinable only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company. The Company is contesting these demands (including certain demands which are not treated as contingent based on assessment) and the Management, including its advisors, believe that its position will likely be upheld in the appellate process. No expense has been accrued in the stand alone financial statements for the demands raised. The Management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations. The above does not include show cause notices received by the Company against which no demand has been levied by the department.

[^] The Company is involved in disputes, claims, Governmental and /or regulatory inspection, inquires, including patents and commercial matters that arise from time to time in the ordinary course of business. The same are subject to uncertain future events not wholly within the control of the Company. The Management does not expect the same to have materially adverse effect on its financial position, as it believes the likelihood of any loss is not probable.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Corporate guarantee given by the Company are in relation to its subsidiaries which aggregate to ₹4,140 (March 31, 2022 ₹3,590). Subsidiaries have availed loan against the said corporate guarantee which have been considered as contingent liabilities (refer note 37).

In addition to the above, the Company along with a subsidiary is a party to certain pending disputes with regulatory authorities relating to allotment of certain lands that have taken place in earlier years. During the year 2018-19, pursuant to the order of the Honorable Appellate Tribunal, land belonging to APL Research Centre Limited, subsidiary, which were attached earlier, were released after placing a fixed deposit of ₹131.6 with a bank as a security deposit with Enforcement Directorate. While the disposal of the cases are subject to final judgement from the Central Bureau of Investigation (CBI) Special Court, in the assessment of the Management and as legally advised, the allegations are unlikely to have a significant material impact on the financial statements of the Company.

D. Other guarantees

	As at March 31, 2023	As at March 31, 2022
Other performance bank guarantees	201.7	206.1

31 EMPLOYEE BENEFITS

a) Disclosures related to defined contribution plan

	For the year ended March 31, 2023	For the year ended March 31, 2022
Provident fund contribution	527.6	521.8
Contribution to ESI	12.4	13.5

b) Disclosures related to defined benefit plan

The Company has a defined benefit gratuity plan governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to gratuity on departure at 15 days last drawn salary for each completed year of service or part thereof in excess of six months.

This defined benefit plan exposes the Company to actuarial risk, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The plan is funded with Life Insurance Corporation in the form of a qualifying insurance policy. The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the fund status and amounts recognised in the balance sheet:

Net employee benefit expense (included under employee benefit expenses)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	265.7	284.7
Past service cost	-	-
Interest on defined benefit liability	(3.1)	(11.0)
Net employee benefit expenses*	262.6	273.7

*Includes ₹ Nil (March 31, 2022: ₹1.6) transferred to capital work in progress

*Includes ₹1.1 (March 31, 2022: ₹ Nil) paid in cash

Details of the employee benefits obligations and plan assets are as follows:

	As at March 31, 2023	As at March 31, 2022
Present value of funded obligation	2,395.2	2,189.6
Fair value of plan assets	2,302.6	2,139.3
Net defined benefit (asset)/liability	92.6	50.3

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Details of changes in present value of defined benefit obligation are as follows:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening defined benefit obligation	2,189.6	2,095.7
Current service cost	265.7	284.7
Past service cost	-	-
Interest on defined benefit obligation	144.5	129.5
Acquisition/Divestiture	49.0	(139.3)
Benefits paid	(197.7)	(137.5)
Remeasurement due to:		
Actuarial loss arising from changes in experience	21.3	3.6
Actuarial loss arising from changes in demographic assumptions	-	-
Actuarial loss/(gain) arising from changes in financial assumptions	(77.2)	(47.1)
Closing defined benefit obligation	2,395.2	2,189.6

Details of changes in fair value of plan assets are as follows:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening fair value of plan assets	2,139.3	2,139.5
Interest on plan assets	147.6	140.6
Employer Contribution	190.8	170.0
Acquisition/Divestiture	-	(152.2)
Benefits paid	(197.7)	(137.5)
Remeasurement due to - actual return on plan assets less interest on plan assets	22.6	(21.1)
Closing fair value of plan assets	2,302.6	2,139.3

Sensitivity analysis

The sensitivity of overall plan obligations to changes in key assumptions are as follows:

	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation without effect of projected salary growth rate	1,592.9	1,438.1
Add: effect of salary growth rate	802.3	751.5
Defined benefit obligation with effect of projected salary growth	2,395.2	2,189.6
Defined benefit obligation, using discount rate plus 50 basis points	2,323.7	2,121.7
Defined benefit obligation, using discount rate minus 50 basis points	2,470.8	2,261.7
Defined benefit obligation, using salary growth rate plus 50 basis points	2,466.7	2,257.7
Defined benefit obligation, using salary growth rate minus 50 basis points	2,326.6	2,124.4

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	As at March 31, 2023	As at March 31, 2022
Funds managed by Insurers	100%	100%

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below

	As at March 31, 2023	As at March 31, 2022
Financial assumptions		
Discount rate (p.a.)	7.41%	6.90%
Expected salary increase (p.a)	10% for 2 Years and 7% thereafter	10% for 2 Years and 7% thereafter
Demographic assumptions		
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Attrition rate		
	As at March 31, 2023	
	Age (years)	Rates (p.a)
	21 - 30	16%
	31 - 40	12%
	41 - 50	6%
	51 - 57	23%
	As at March 31, 2022	
	Age (years)	Rates (p.a)
	21 - 30	16%
	31 - 40	12%
	41 - 50	6%
	51 - 57	23%

Discount rate : The discount rate is based on the prevailing market yields of Indian Government securities as at the reporting date for the estimated term of obligations.

Salary escalation rate : The estimate of future salary increases considered takes into account the inflation, seniority, promotion and other related factors.

Maturity profile of the defined benefit obligation

	As at March 31, 2023	As at March 31, 2022
Weighted average expected future working life (Years)	8.0	8.1
Expected future cash flow of gratuity		
Within 12 months	330.4	288.8
Between 2 and 5 years	1,068.3	949.4
Beyond 5 years	2,792.0	2,511.4

c) Disclosures related to compensated absences

	As at March 31, 2023	As at March 31, 2022
Financial assumptions		
Discount rate (p.a.)	7.41%	6.90%
Expected salary increase (p.a)	10% for 2 Years and 7% thereafter	10% for 2 Years and 7% thereafter
Demographic assumptions		
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Withdrawal rate		
	As at March 31, 2023	
	Age (years)	Rates (p.a)
	21 - 30	16%
	31 - 40	12%
	41 - 50	6%
	51 - 57	23%
Retirement age	58 years	
	As at March 31, 2022	
	Age (years)	Rates (p.a)
	21 - 30	16%
	31 - 40	12%
	41 - 50	6%
	51 - 57	23%

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

32 DISCLOSURES REQUIRED UNDER SECTION 22 OF MICRO AND SMALL ENTERPRISES DEVELOPMENT ACT, 2006

Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. The amount of dues payable to micro, small and medium enterprises are as follow:

	As at March 31, 2023	As at March 31, 2022
The principal amount remaining unpaid to any supplier as at the end of each accounting year (including ₹98.1 shown under capital creditors [March 31, 2022: ₹36.0])	563.2	334.9
The amount of interest accrued and remaining unpaid as at the end of the year.	12.1	-
Amount of interest paid by the Company in terms of Sec 16, of Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of payments made beyond the appointed date during the year.	-	-
Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) without the interest specified under the Micro, Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	-	-

33 In respect of the amounts mentioned under section 125 of the Companies Act, 2013 there are no dues that are to be credited to the Investor Education and Protection Fund as at March 31, 2023 (March 31, 2022: ₹ Nil).

34 RESEARCH AND DEVELOPMENT EXPENSES

a. Details of Research and development expenses incurred during the year, debited under various heads of statement of profit and loss is given below:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Material and stores and spares consumption	1,331.0	1,789.3
Power and fuel	154.5	146.2
Repairs and maintenance	103.3	92.6
Employee benefits expense	1,925.8	1,998.9
Analytical charges	1,201.1	1,811.3
Legal and professional charges	504.3	1,463.2
Registration and filing fee	659.4	679.1
Depreciation expense	329.1	320.9
Others	242.3	354.1
Total	6,450.8	8,655.6

b. Details of capital expenditure incurred for Research and development are given below:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Buildings	24.9	7.5
Plant and equipment		
- Plant and equipment	17.8	33.8
- Lab equipment	266.0	238.6
- Pipes and valves	-	3.2
- Data processing equipment	12.5	5.2
- Electrical installations	2.8	3.3
Office equipment	6.3	2.3
Furniture and fixtures	7.8	11.9
Total	338.1	305.8

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

35 REMUNERATION TO STATUTORY AUDITORS

	For the year ended March 31, 2023	For the year ended March 31, 2022
As Auditors :		
Statutory audit	7.0	6.9
Limited review - standalone	4.5	4.5
Limited review - consolidation	3.0	3.0
Certification	1.1	2.7
Reimbursement of expenses and taxes	1.3	0.8
	16.9	17.9

36 CONTRIBUTION TO POLITICAL PARTIES AS PER SECTION 182 OF COMPANIES ACT, 2013. (INCLUDED IN MISCELLANEOUS EXPENSES)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Donation		
- Political parties	1.3	2.7
- Electoral bonds (in accordance with the Electoral Bond Scheme notified by the Government of India)	215.0	55.0

37 RELATED PARTY DISCLOSURES

Names of related parties and description of relationship

Subsidiaries

- Acrotech Biopharma Inc. USA (Formerly Acrotech Biopharma LLC) name changed w.e.f. June 2, 2022.
- Agile Pharma B.V., The Netherlands
- All Pharma (Shanghai) Trading Company Limited, China
- APL Pharma Thai Limited, Thailand
- APL Healthcare Limited, India
- APL Swift Services (Malta) Limited, Malta
- Arrow Generiques SAS, France
- Aurobindo Pharma USA Inc., USA
- Aurobindo Pharma Industria Farmaceutica Ltda, Brazil
- Aurobindo Pharma Produtos Farmaceuticos Limitada, Brazil
- Auronext Pharma Private Limited, India
- Auro Pharma Inc., Canada
- Aurobindo Pharma (Pty) Limited, South Africa
- Aurobindo Pharma Japan K.K., Japan
- Aurex B.V. (formerly Pharmacin B.V.), The Netherlands
- Aurobindo Pharma GmbH Germany (merged with Puren Pharma GmbH w.e.f. October 1, 2021)
- Aurobindo Pharma B.V., The Netherlands (formerly known as Actavis B.V.)
- Aurobindo Pharma (Romania) S.r.l, Romania
- Aurobindo Pharma (Italia) S.r.l, Italy
- Aurobindo Pharma (Malta) Limited, Malta
- Aurolife Pharma LLC, USA
- Auro Peptides Limited, India
- Aurovida Farmaceutica S.A. DE C.V., Mexico
- Aurobindo Pharma Colombia S.A.S, Colombia
- Auro Health LLC, USA
- Aurovitas Spain SA (formerly Actavis Spain SA), Spain
- Aurovitas Pharma Polska, Sp. z o o, Poland
- Aurogen South Africa (Pty) Ltd, South Africa

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

- Auro AR LLC, USA
- Auro Vaccines LLC, USA
- Auro Logistics LLC, USA
- Aurobindo Pharma Saudi Arabia Limited Company, Saudi Arabia
- Apitoria Pharma Private Limited, India (formerly known as Auro Pharma India Private Limited)
- Aurovitas Pharma (Taizhou) Ltd, China
- Aurovitas Spol s.r.o (Formerly Apotex (CR) Spol s.r.o.) , Czech Republic
- Apotex Europe B.V., The Netherlands
- Aurovitas Nederland B.V, The Netherlands (formerly Apotex Nederland B.V. name changed w.e.f. February 1, 2022)
- Auro Science LLC, U.S.A
- Auro Science (Pty) Ltd, Australia
- Auroactive Pharma Private Limited, India
- Auro Packaging LLC, USA
- Aurobindo N.V. Belgium,
- Aurobindo Pharma FZ-LLC, Dubai
- Aurobindo Antibiotics Private Limited, India
- AuroZest Private Limited, India
- Auro vaccines Private Limited, India (w.e.f. November 8, 2021)
- Auro PR Inc, Puerto Rico (w.e.f. September 22, 2021)
- Auro PR I LLC, Puerto Rico (formerly known as Mylan LLC) Merged with Auro PR Inc w.e.f. May 22, 2022.
- Aurobindo Pharma Ukraine LLC, Ukraine (w.e.f. February 2, 2022)
- Auro Steriles LLC, USA (dissolved w.e.f Sep 30, 2022 and notified on November 16, 2022)
- Aurosulud SA De CV , Mexico (w.e.f July 16, 2021)
- CuraTeQ Biologics s.r.o., Czech Republic
- CuraTeQ Biologics GmbH, Germany (Liquidated w.e.f. October 7, 2021)
- CuraTeq Biologics Private Limited, India
- Eugia Pharma Specialities Limited, India
- Eugia Pharma B.V. ,The Netherlands (w.e.f. September 8, 2021)
- Eugia Pharma (Malta) Limited, Malta (w.e.f. October 14, 2021)
- Eugia (UK) Limited, UK (w.e.f. October 21, 2021)
- Eugia Pharma INC, Canada (w.e.f. October 29, 2021)
- Eugia Pharma (Australia) PTY Limited, Australia (w.e.f. December 15, 2021)
- Eugia Pharma Colombia S.A.S., Colombia (w.e.f. March 2, 2022)
- Eugia US Manufacturing LLC, USA (w.e.f. August 31, 2021)
- Eugia Injectable Inc, USA (closed w.e.f. April 26, 2022)
- Eugia Inc, USA (w.e.f. February 23, 2022)
- Eugia Pharma Industria Farmaceutica Limitada, Brazil (w.e.f. December 20, 2021)
- Eugia US LLC, USA (formerly known as Auro Medics Pharma LLC), U.S.A.) Name changed w.e.f. August 8, 2022
- Eugia Steriles Private Limited, India (formerly known as Auro Cure Private Limited)
- Eugia SEZ Private Limited, India (formerly known as Wytells Pharma Private Limited) Name changed w.e.f. September 2, 2022.
- Generis Farmaceutica S.A, Portugal
- Generis Phar Unipessoal Lda., Portugal
- GLS Pharma Limited, India (w.e.f. August 17, 2022)
- Helix Healthcare B.V., The Netherlands
- Laboratorios Aurobindo S.L., Spain
- Leidapharm B.V, The Netherlands
- Lyfius Pharma Private Limited, India
- Marel B.V, The Netherlands
- Milpharm Limited, UK
- Mviyes Pharma Ventures Private Limited, India
- Pharmacin B.V. , The Netherlands (formerly Aurex B.V.),
- Pharma Dossier B.V, The Netherlands

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

- 81 PT Aurogen Pharma Indonesia, Indonesia (w.e.f. July 1, 2022).
- 82 Puren Pharma GmbH & Co., KG, Germany (formerly Actavis Deutschland GmbH & Co., KG)
- 83 Qule Pharma Private Limited, India
- 84 Sameko Farma B.V, The Netherlands
- 85 TheraNyM Biologics Private Limited, India (w.e.f. September 22, 2022)
- 86 Vespyr Brands, Inc, USA (formerly known as Nurya Brands Inc) (w.e.f. April 28, 2021)
- 87 1980 Puren Pharma GmbH, Germany (formerly Actavis Management GmbH)

Joint ventures

- 1 Longxiang Pharma Taizhou Co. Ltd. (Joint Venture of a subsidiary, Helix Healthcare B.V., The Netherlands) (Liquidated w.e.f. August 31, 2021)
- 2 Luoxin Aurovitas Pharma (Chengdu) Co, Ltd, China
- 3 Novagen Pharma (Pty) Limited, South Africa (Joint Venture of a Subsidiary, Aurobindo Pharma (Pty) Limited, South Africa)
- 4 Novagen BBBEE Invest Co, (Pty) Ltd, South Africa
- 5 Purple Bellflower (Pty)Ltd, South Africa
- 6 Raidurgam Developers Limited, India (formerly known as Aurobindo Antibiotics limited, India)
- 7 Tergene Biotech Limited, India

In Associates

- 1 NVNR (Ramannapet I) Power Plant Private Limited, India
- 2 NVNR (Ramannapet II) Power Plant Private Limited, India

Enterprises over which key management personnel or their relatives exercise significant influence

- 1 Alcedo Pharmachem Private Limited, India
- 2 Ambipack Industries, India
- 3 Aurobindo Realty & Infrastructure Private Limited, India
- 4 Aurobindo Pharma Foundation, India
- 5 Aurobindo Pharma Foundation(Trust), India
- 6 Auropro Soft Systems Private Limited, India
- 7 Axis Clinicals Limited, India
- 8 Axis Clinicals LLC, USA
- 9 Axis Clinicals Latina SA DE CV, Mexico
- 10 Crest Cellulose Private Limited, India (Upto July 4,2022)
- 11 East Pharma Technologies, India (Partnership firm)
- 12 Gelcaps Industries, India
- 13 Giyaan Pharma Private Limited, India
- 14 K Vijayaraghavan & Associates LLP, India
- 15 Orem Access Bio Inc, India
- 16 Pravesha Industries Private Limited, India
- 17 Pranit Packaging Private Limited, India
- 18 Sri Sai Packaging, India (Partnership firm)
- 19 SGD Pharma India Limited (formerly Cogent Glass Limited), India (Upto November 17,2021)
- 20 Sathguru Software Products Private limited, India
- 21 Sportz And Live Entertainment Private Limited, India
- 22 Trident Chemphar Limited, India
- 23 Transaction Square LLP, India
- 24 Veritaz Healthcare Limited, India
- 25 Zoylo Digihealth Private Limited, India

Key managerial personnel

- 1 Mr. K. Nityananda Reddy, Vice chairman and Managing Director (w.e.f. January 1, 2022)
- 2 Dr. M. Sivakumaran, Whole-time Director
- 3 Mr. M. Madan Mohan Reddy, Whole-time Director
- 4 Mr. P. Sarath Chandra Reddy, Non Executive Director (Whole-time Director upto November 12, 2022)
- 5 Mr. N. Govindarajan, Managing Director (up to December 31, 2021)
- 6 Mr. Santhanam Subramanian, Chief Financial Officer

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

- 7 Mr. B. Adi Reddy, Company Secretary
- 8 Mr. K. Ragunathan, Non-executive Chairman and Independent Director
- 9 Dr. (Mrs.) Avnit Bimal Singh, Independent Director
- 10 Mr. P. Venkata Ramprasad Reddy, Non Executive promoter director
- 11 Mrs. Savitha Mahajan, Independent Director
- 12 Mr. Girish Paman Vanvari, Independent Director
- 13 Mr. Santanu Mukherjee, Independent Director (w.e.f. February 9, 2023)

Transactions with related parties

a. Loans given and repayment thereof

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Transactions with subsidiaries and outstanding balances		
APL Healthcare Limited, India		
Receipt against loan and interest	1,004.4	4,076.00
Interest accrued	4.8	152.7
Loan given	3,100.0	20.0
Balance receivable	2,100.4	-
Auro Vaccines Private Limited, India		
Receipt against loan and interest	15.1	-
Interest accrued	0.4	0.0
Loan given	60.0	15.0
Balance receivable	60.3	15.0
Auroactive Pharma Private Limited, India		
Interest accrued	2.7	-
Loan given	240.0	-
Balance receivable	242.7	-
AuroZest Private Limited, India		
Receipt against loan and interest	14.5	-
Loan and interest converted into CCD	500.0	-
Interest accrued	13.4	31.0
Loan given	-	20.0
Balance receivable	-	501.1
CurateQ Biologics Private Limited, India		
Receipt against loan and interest	120.5	-
Interest accrued	23.7	-
Loan given	2,110.0	-
Balance receivable	2,013.2	-
Eugia Steriles Private Limited, India (formerly known as Aurocure Private Limited)		
Interest accrued	169.2	24.0
Loan given	2,695.0	995.0
Balance receivable	3,883.2	1,019.0
Eugia Pharma Specialities Limited, India		
Interest accrued	769.2	90.0
Loan given	11,070.0	3,150.0
Balance receivable	15,079.2	3,240.0
Lyfius Pharma Private Limited, India		
Receipt against loan and interest	2,800.6	-
Loan and interest converted into CCD	4,000.0	-
Interest accrued	125.6	89.0
Loan given	6,975.0	2,080.0
Balance receivable	2,478.9	2,179.0

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Qule Pharma Private Limited, India		
Receipt against loan and interest	7.0	-
Loan and interest converted into CCD	1,300.0	-
Interest accrued	32.4	55.4
Loan given	100.0	1,220.0
Balance receivable	100.8	1,275.4

b. Sale of products/ purchases, services and other transactions

Transactions with subsidiaries

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Acrotech Biopharma LLC, USA		
Reimbursement of expenses received	0.3	-
Agile Pharma BV, The Netherlands		
Corporate guarantee fee received	-	1.3
All Pharma (Shanghai) Trading Company Limited, China		
Purchases	3.9	5.1
Purchase of property, plant and equipment	22.2	-
Reimbursement of expenses	13.8	20.3
APL Swift Services (Malta) Limited, Malta		
Sale of products	6,993.5	6,667.8
Sales Commission	0.3	1.5
Purchase of services	71.1	113.7
Reimbursement of expenses received	2.3	6.7
APL Healthcare Limited, India		
Sale of products	8,137.5	7,253.4
Sale of fixed assets	-	0.2
Purchases	246.2	694.4
Purchases-MEIS Scrips	-	68.6
Purchase of property, plant and equipment	2.4	-
Reimbursement of expenses received	1,349.0	747.8
Rent received	7.1	7.1
Business Transfer under Slump sale	-	13,152.7
Investment in Compulsorily convertible debentures (CCDs)	-	10,500.0
APL Pharma Thai Limited, Thailand		
Sale of products	46.5	32.0
Arrow Generiques S.A.S., France		
Sale of products	2,088.4	1,353.4
Purchases	0.2	0.1
Reimbursement of expenses received	3.3	0.6
Aurobindo Pharma Produtos Farmaceuticos Ltda, Brazil		
Sale of products	83.1	49.5
Reimbursement of expenses	1.2	2.1
Sales Commission	20.6	11.2
Aurobindo Pharma USA Inc., USA		
Sale of products	33,879.0	26,580.0
Reimbursement of expenses received	58.0	63.7
Dividend received	-	3,760.0
Purchase of property, plant and equipment	18.4	-
Purchase of intangible assets	264.7	-
Purchase of samples	74.1	67.4

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Aurobindo Pharma Industria Farmaceutica Ltda, Brazil		
Sale of products	225.8	525.5
Reimbursement of expenses	12.3	17.2
Dividend received	1,648.6	-
Auro Pharma Inc., Canada		
Sale of products	3,417.6	2,180.6
Reimbursement of expenses received	3.0	6.8
Reimbursement of expenses	6.3	0.7
Aurex B.V., The Netherlands (formerly Pharmacin B.V.)		
Sale of products	1.7	-
Reimbursement of expenses received	0.1	-
Aurobindo Pharma (Pty) Limited, South Africa		
Sale of products	612.4	730.9
Aurolife Pharma LLC, USA		
Sale of products	(385.2)	284.2
Reimbursement of expenses received	0.9	-
Purchases	329.2	159.4
Purchase of property, plant and equipment	6.2	-
Aurobindo Pharma Japan K.K., Japan		
Sale of products	513.1	566.5
Sales Commission	59.5	32.9
Purchases	-	0.1
Aurobindo Pharma (Malta) Limited, Malta		
Reimbursement of expenses	16.1	27.9
Reimbursement of expenses received	0.1	1.6
Auronext Pharma Private Limited, India		
Dividend received	-	749.9
Auro Medics Pharma LLC, USA		
Sale of products	1,088.3	2,945.1
Reimbursement of expenses received	0.1	68.2
Reimbursement of expenses	-	2.4
Auro Peptides Limited, India		
Rent Received	13.1	12.5
Reimbursement of expenses received	61.4	54.9
Investment in 9.5% cumulative redeemable preference shares	420.0	455.5
Sale of products	0.6	1.7
Purchases	19.7	75.8
Sale of property, plant and equipment	43.9	0.1
Aurovida Farmaceutica, SA DE CV, Mexico		
Sale of products	1,318.5	483.2
Reimbursement of expenses received	1.1	1.2
Reimbursement of expenses	27.1	27.1
Aurobindo Pharma Colombia S.A.S., Colombia		
Sale of products	167.6	216.4
Reimbursement of expenses received	-	1.0
Reimbursement of expenses	-	1.7
Aurobindo Pharma B.V. (formerly Actavis B.V.), The Netherlands		
Sale of products	555.5	907.9
Reimbursement of expenses received	0.2	0.5
Reimbursement of expenses	-	0.6

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Aurovitas Spain SAS, Spain		
Sale of products	52.4	53.2
Reimbursement of expenses received	0.7	0.0
Reimbursement of expenses	-	0.2
Aurobindo Pharma (Italia) S.r.l, Italy		
Sale of products	64.3	52.6
Reimbursement of expenses received	0.1	-
Reimbursement of expenses	0.5	0.3
Auro Health LLC, USA		
Sale of products	2,343.8	1,597.5
Reimbursement of expenses received	-	17.7
Purchases	13.2	29.4
Aurovitas Pharma Polska, Poland		
Reimbursement of expenses received	8.4	0.8
Aurobindo Pharma (Romania) S.r.l, Romania		
Reimbursement of expenses	0.1	-
Auro Active Pharma Private Limited, India		
Equity contribution	580.0	229.0
Reimbursement of expenses received	1.0	1.2
Rent received	6.4	6.4
Sale of property, plant and equipment	5.5	1.4
Sale of products	0.2	-
Auro Packaging LLC, USA		
Purchase of property, plant and equipment	10.9	-
Aurobindo Pharma FZ LLC, Dubai		
Sale of products	10.2	16.0
Aurovitas Pharma (Taizhou) Ltd, China		
Sale of products	110.2	39.6
Sale of property, plant and equipment	-	1.4
Reimbursement of expenses received	0.6	-
Aurozest Pvt Ltd, India		
Investment in Compulsory convertible debentures(CCD)	20.0	-
Loan and interest converted into CCD	500.0	-
Aurobindo Antibiotics Private Limited, India		
Equity contribution	-	9.9
Reimbursement of expenses received	-	0.2
Aurobindo Pharma Saudi Arabia Limited, Saudi Arabia		
Sale of products	73.7	14.8
Aurogen South Africa (PTY) Limited, South Africa		
Sale of products	111.8	6.8
Auroscience PTY Limited, Australia		
Purchase of fixed assets	-	14.5
Auro Vaccines Private Limited, India		
Business Transfer under Slump sale	-	3,275.5
Equity contribution	-	1.0
Reimbursement of expenses	3.6	-
Sale of property, plant and equipment	0.0	-
Sale of fixed assets	24.6	-
Investment in Compulsorily convertible debentures (CCDs)	3,960.0	-

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Auro PR Inc, Puerto Rico		
Sale of products	4.2	-
Reimbursement of expenses received	17.2	-
Aurobindo NV, Belgium		
Reimbursement of expenses received	0.1	-
Curateq Biologics Private Limited, India		
Sale of products	0.2	0.2
Sale of property, plant and equipment	2.0	-
Investment in Compulsory convertible debentures	4,400.0	4,500.0
Corporate guarantee fee received	1.3	-
Reimbursement of expenses received	3.7	0.6
Eugia Pharma Specialities Limited, India		
Sale of products	1,731.9	1,329.6
Purchases	32.3	452.3
Purchase of intangible assets	103.3	-
Rent received	-	4.5
Purchase of property, plant and equipment	2.4	-
Sale of services	662.7	849.5
Purchase of service	22.2	-
Sale of property, plant and equipment	-	156.3
Sales of shares (Auro Cure Private Limited - Equity)	-	442.5
Business Transfer under Slump Sales	-	9,383.2
Eugia Steriles Private Limited, India (Formerly known as Auro Cure Private Limited)		
Equity contribution	-	70.0
Sale of products	1.0	3.4
Sale of services	1.0	2.0
Sale of fixed assets	1.5	4.1
Corporate guarantee given	650.0	1,000.0
Corporate guarantee fee received	1.4	-
Eugia Sez Private Limited, India (formerly known as Wytells Pharma Private Limited)		
Purchases	130.6	20.7
Sale of products	851.6	876.2
Reimbursement of expenses received	1.1	0.5
Purchase of property, plant and equipment	0.1	-
Business Transfer under Slump Sales	-	2,941.2
Eugia Pharma (Malta) Limited, Malta		
Sale of products	159.0	-
Eugia Pharma Industria Farmaceutica Limitada, Brazil		
Sale of products	73.7	-
Generis Farmaceutica SA, Portugal		
Sale of products	226.0	87.6
Reimbursement of expenses received	0.1	0.2
Purchases	4.0	-
GLS Pharma Limited, India		
Equity contribution	280.5	-
Investment in optionally convertible debentures	40.0	-
Interest accrued	0.7	-
Helix Healthcare B.V., The Netherlands		
Equity contribution	1,183.3	1,543.2
Corporate guarantee fee received	-	4.5

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Lyfius Pharma Private Limited, India		
Corporate guarantee fair value	4.1	-
Reimbursement of expenses received	2.6	1.0
Sale of property, plant and equipment	2.1	1.6
Sale of products	0.1	-
Corporate guarantee fee received	0.7	-
Investment in Compulsorily convertible debentures (CCDs)	1,000.0	-
Loan and interest converted into CCD	4,000.0	-
Corporate guarantee given	2,500.0	-
Interest on corporate guarantee	0.3	-
Milpharm Limited, UK		
Sale of products	3,164.8	2,361.2
Reimbursement of expenses	10.0	33.4
Reimbursement of expenses received	0.5	0.5
Pharmacin B.V., The Netherlands (formerly Aurex B.V.)		
Sale of products	34.3	34.7
Sales Commission	0.6	0.3
Puren Pharma GmbH & Co., KG, Germany		
Reimbursement of expenses received	3.7	-
Qule Pharma Private Limited, India		
Investment in Compulsorily convertible debentures (CCDs)	90.0	-
Loan and interest converted into CCD	1,300.0	-
Reimbursement of expenses received	-	0.2

c. Sale/purchase of goods, services and other transactions

Transactions with Joint Venture

	For the year ended March 31, 2023	For the year ended March 31, 2022
Luoxin Aurovitas Pharma(Chengdu) Co., LTD. JVC, China		
Sale of services	-	313.9
Sale of intangible assets	61.6	-
Novagen Pharma (Pty) Limited, South Africa		
Sale of products	92.9	169.2
Raidurgam Developers Limited, India		
Rent expenses including maintenance	293.0	302.8
Rent deposit	-	0.2
Investment in optionally convertible debentures	-	500.0
Interest accrued	76.8	95.3
Reimbursement of expenses received	-	0.5
Tergene Biotech Limited, India		
Investment in 10.5% Cumulative Redeemable Preference shares	41.0	37.0
Transactions with Associates		
NVNR (Ramannapet I) Power Plant Private Limited, India		
Equity contribution	-	5.2
Investment in optionally convertible debentures	-	48.6
Purchase of power	84.7	-
NVNR (Ramannapet II) Power Plant Private Limited, India		
Equity contribution	-	5.2
Investment in optionally convertible debentures	-	48.6
Purchase of power	80.6	-

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

d. Transactions with enterprises over which key management personnel or their relatives exercise significant influence

	For the year ended March 31, 2023	For the year ended March 31, 2022
Alcedo Pharmachem Private Limited, India		
Purchases	447.8	219.7
Ambipack Industries, India		
Purchases	176.3	127.4
Aurobindo Pharma Foundation, India (Sec.8 Company)		
Contribution towards CSR activities	554.5	570.0
Aurobindo Realty & Infrastructure Private Limited, India		
Purchase of capital goods	23.9	246.2
Sale of products	-	0.1
Auropro Soft Systems Private Limited, India		
Purchase of services	18.1	-
Axis Clinicals Limited, India		
Sale of products	-	0.1
Purchase of services	676.9	1,487.4
Axis Clinicals Latina SA DE CV, Mexico		
Purchase of services	-	28.2
Axis Clinicals LLC, USA		
Purchase of services	21.5	-
Crest Cellulose Private limited, India		
Purchases	42.7	88.4
East Pharma Technologies, India		
Sale of products	-	0
Purchases	37.7	44.5
Sale of services	-	0.1
Giyaan Pharma Private Limited, India		
Sale of products	99.5	25.9
Gelcaps Industries, India		
Purchases	575.6	506.9
K Vijayaraghavan & Associates LLP, India		
Purchase of services	1.2	-
Orem Access Bio Inc, India		
Purchases	295.1	180.7
Pravesha Industries Private Limited, India		
Sale of products	0.3	1.5
Purchases	3,380.8	2,479.4
Purchase of fixed assets	-	2.5
Pranit Packaging Private Limited, India		
Purchases	300.8	220.6
Sathguru Software Products Private limited, India		
Purchase of services	2.5	5.9
SGD Pharma India Limited, India (formerly known as Cogent Glass Limited) upto November 16, 2021		
Purchases	-	233.2
Reimbursement of expenses received	-	1.6
Sportz And Live Entertainment Private Limited, India		
Purchase of services	-	0.2
Sri Sai Packaging, India		
Sale of products	0.5	0.6
Purchases	288.6	259.7

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Transaction Square LLP, India		
Purchase of services	3.8	0.1
Trident Chemphar Limited, India		
Purchases	2,153.8	637.1
Purchase of services	27.2	85.1
Veritaz Healthcare Limited, India		
Sale of products	-	359.1
Rent received	-	0.4
Acquisition of business including certain assets	1,689.2	-
Zoylo Digihealth Private Limited, India		
Purchase of services	-	0.7

e. Remuneration to key managerial personnel and their relatives

	For the year ended March 31, 2023	For the year ended March 31, 2022
Short-term employee benefits	165.4	219.3
Post employment benefits	2.7	5.8
Director sitting fees	10.1	11.8
Commission	-	62.5

f. Transactions with key managerial personnel or their relatives

	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent expense	3.1	3.0

Note:

- Managerial remuneration does not include provision for gratuity and leave encashment, which is determined for the Company as a whole.
- All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for trade receivable, trade payable and other payables are unsecured, interest free and settlement occurs in cash. The Company has not recorded any impairment of balances relating to amounts owed by related parties during the year ended March 31, 2023 (March 31, 2022), provision for bad and doubtful debts will be made on an aggregate basis i.e. not specific to party. The assessment is undertaken each financial year through evaluating the financial position of the related party and the market in which the related party operates.

g. Loans to subsidiaries - Maximum amount outstanding

Name of the Companies	Closing Balance as at March 31		Maximum outstanding at any time during the year ended March 31	
	2023	2022	2023	2022
	₹	₹	₹	₹
APL Health Care Limited, India	2,100.4	-	2,100.4	3,515.0
Auro Zest Pvt Ltd, India	-	460.0	508.8	460.0
Lyfius Pharma Private Limited, India	2,478.9	2,090.0	4,393.7	2,090.0
Eugia Steriles Private Limited, India (formerly known as Aurocure Private Limited)	3,883.2	995.0	3,883.2	995.0
Qule Pharma Private Limited, India	100.8	1,220.0	1,295.9	1,220.0
Eugia Pharma specialties Ltd, India	15,079.2	3,150.0	15,079.2	3,150.0
Auro Vaccines Private Limited, India	60.3	15.0	60.3	15.0
CuraTeq Biologics Pvt Ltd, India	2,013.3	-	2,013.2	-
Auroactive Pharma Private Limited, India	242.7	-	242.7	-

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

h. Balances with Subsidiaries at the year end (excluding loan balances as mentioned in point a. above)

Particulars	As at March 31, 2023	As at March 31, 2022
All Pharma (Shanghai) Trading Company Limited, China		
Balance payable	31.8	34.6
APL Pharma Thai Limited, Thailand		
Balance receivable	14.0	-
APL Healthcare Limited, India		
Balance receivable	1,880.1	4,101.5
Balance payable	10.5	-
APL Swift Services (Malta) Limited, Malta		
Balance receivable	2,790.4	4,441.9
Balance payable	70.2	45.7
Arrow Generiques S.A.S., France		
Balance receivable	6.6	707.6
Aurobindo Pharma Produtos Farmaceuticos Ltda, Brazil		
Balance receivable	14.8	9.4
Balance payable	2.1	-
Aurobindo Pharma USA Inc., USA		
Balance receivable	13,244.9	7,903.2
Balance payable	264.6	2.6
Aurobindo Pharma Industria Farmaceutica Ltda, Brazil		
Balance receivable	16.4	106.6
Balance payable	6.9	12.4
Auro Pharma Inc., Canada		
Balance receivable	2,418.9	1,611.0
Balance payable	6.3	4.3
Aurobindo Pharma (Pty) Limited, South Africa		
Balance receivable	216.6	343.5
Aurolife Pharma LLC, USA		
Balance receivable	8.4	-
Balance payable	168.3	193.6
Aurobindo Pharma Japan K.K., Japan		
Balance receivable	164.8	195.3
Balance payable	5.1	0.2
Aurobindo Pharma (Malta) Limited, Malta		
Balance receivable	0.1	-
Balance payable	10.5	1.0
Eugia US LLC, USA		
Balance receivable	452.3	100.2
Auro Peptides Limited, India		
Balance receivable	10.5	2.2
Balance payable	2.3	-
Aurovida Farmaceutica, SA DE CV, Mexico		
Balance receivable	1,035.0	401.9
Balance payable	14.9	5.6
Aurobindo Pharma B.V., The Netherlands		
Balance receivable	159.7	392.8
Aurobindo Pharma Colombia S.A.S., Colombia		
Balance receivable	114.6	56.6
Aurobindo Pharma (Italia) S.r.l, Italy		
Balance receivable	36.6	25.9

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Auro Health LLC, USA		
Balance receivable	1,173.4	636.7
Balance payable	-	21.8
Aurovitas Pharma Polska, Poland		
Balance receivable	8.3	-
Aurovitas Spain SAS, Spain		
Balance receivable	43.9	13.5
Aurex B.V, The Netherlands		
Balance receivable	0.1	-
Aurobindo Pharma FZ LLC, Dubai		
Balance receivable	10.4	6.5
Aurovitas Pharma Taizhou Co., Ltd, China		
Balance receivable	131.2	21.4
Auroscience PTY Limited, South Africa		
Balance payable	-	15.5
Auro Vaccines Private Limited, India		
Balance receivable (payment made on behalf of)	24.6	116.5
Receivable for Business Transfer	-	3,275.5
Auro Active Pharma Private Limited, India		
Balance receivable	0.1	0.0
Aurobindo Pharma Saudi Arabia Limited, Saudi Arabia		
Balance receivable	17.0	1.3
Aurogen South Africa (PTY) Limited, South Africa		
Balance receivable	97.1	7.6
Auro PR Inc, Puerto Rico		
Balance receivable	2.4	-
Auro Packaging LLC, USA		
Balance payable	10.9	-
Curateq Biologics Private Limited, India		
Balance receivable	5.3	-
Balance payable	0.8	0.9
Corporate guarantee balance	1,500.0	-
Eugia Pharma Specialities Limited, India		
Balance receivable	1,138.5	1,248.9
Receivable for Business Transfer	-	9,383.2
Balance payable	1.9	2,637.9
Eugia Steriles Private Limited, India (Formerly known as Auro Cure Private Limited)		
Balance receivable	1.9	1.2
Corporate guarantee balance	1,650.0	897.7
Eugia Sez Private Limited, India (formerly known as Wytells Pharma Private Limited)		
Balance receivable	557.7	646.7
Receivable for Business Transfer	-	2,941.2
Balance payable	9.8	-
Eugia Pharma (Malta) Limited, Malta		
Balance receivable	123.7	-
Eugia Pharma Industria Farmaceutica Limitada, Brazil		
Balance receivable	54.2	-
Generis Farmaceutica SA, Portugal		
Balance receivable	69.0	26.0
Balance payable	4.3	-
GLS Pharma Limited, India		
Balance receivable	0.7	-

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Lyfius Pharma Private Limited, India		
Balance receivable	0.7	1.6
Milpharm Limited, UK		
Balance receivable	1,278.5	760.0
Balance payable	4.3	7.3
Pharmacin B.V., The Netherlands (formerly Aurex B.V.)		
Balance receivable	-	8.8
Puren Pharma GmbH & Co., KG, Germany		
Balance receivable	2.4	-

Note: For closing balance of investments and provision for diminution in value of investments, refer note 4.

i. Balances with Joint venture at the year end

Particulars	As at March 31, 2023	As at March 31, 2022
Luoxin Aurovitas Pharma(Chengdu) Co., LTD. JVC, China		
Balance receivable	-	317.4
Receivable for capital assets	61.6	-
Novagen Pharma (Pty) Limited, South Africa		
Balance receivable	27.9	46.6
Raidurgam Developers Limited, India		
Balance receivable	19.7	47.8
Rent deposit Receivable	100.8	100.8
Balance payable	4.0	7.4

j. Balances with enterprises over which key management personnel or their relatives exercise significant influence at the year end.

Particulars	As at March 31, 2023	As at March 31, 2022
Alcedo Pharmachem Private Limited, India		
Balance payable	51.1	19.7
Ambipack Industries, India		
Balance payable	22.3	22.4
Aurobindo Realty & Infrastructure Private Limited, India		
Balance payable	22.7	75.3
Aurobindo Foundation(Trust), India		
Corporate guarantee outstanding	990.0	990.0
Axis Clinicals Limited, India		
Balance payable	154.0	158.0
Axis Clinicals Latina S.A. DE C.V, Mexico		
Balance payable	-	4.9
Crest Cellulose Private limited, India		
Balance payable	-	19.8
East Pharma Technologies, India		
Balance payable	6.4	9.1
Gelcaps Industries, India		
Balance payable	116.1	106.7
Giyaan Pharma Private Limited, India		
Balance receivable	71.6	34.2
Orem Access Bio Inc, India		
Balance payable	71.0	37.0

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Pranit Packaging Private Limited, India		
Balance payable	46.5	23.3
Pravesha Industries Private Limited, India		
Balance payable	914.1	700.6
Sri Sai Packaging, India		
Balance payable	30.4	34.7
Transaction Square LLP, India		
Balance payable	2.4	0.1
Trident Chemphar Limited, India		
Balance payable	25.1	53.7
Veritaz Healthcare Limited, India		
Balance receivable	-	159.6
Balances with key managerial personnel at the year end		
Mr. N Govindarajan (up to December 31, 2021)		
Balance payable	-	62.5
Mr. K Nityananda Reddy		
Balance payable	0.2	-

38 HEDGING ACTIVITIES AND DERIVATIVES - DERIVATIVES NOT DESIGNATED AS HEDGING INSTRUMENTS

The Company uses foreign currency denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one week to twelve months.

39 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company monitors capital using 'adjusted net debt to total equity ratio'. For this purpose, adjusted net debt is defined as total borrowings, less cash and cash equivalents and other bank balances.

The Company's adjusted net debt to total equity was as follows:

	As at March 31, 2023	As at March 31, 2022
Total borrowings	41,425.7	18,186.2
Less: cash and cash equivalents	(1,296.5)	(482.1)
Less: other bank balances	(24.9)	(25.7)
Net debt	40,104.3	17,678.4
Total equity	179,141.7	171,173.4
Net debt to total equity ratio	0.2	0.1

40 SEGMENT REPORTING

In accordance with Indian Accounting Standard (Ind AS) 108 on Operating segments, segment information has been given in the consolidated financial statements of the Company, and therefore no separate disclosure on segment information is given in these financial statements.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

41 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

A. Accounting classifications and fair value hierarchy

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their fair value hierarchy.

March 31, 2023

Particulars	Notes	Carrying amount			Fair value			
		FVTPL	Amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Non-current investments in others	4(A)	151.2	-	151.2	-	-	151.2	151.2
Non-current investments in government securities	4(A)	0.2	-	0.2	-	-	0.2	0.2
Current investments	4(B)	0.1	-	0.1	0.1	-	-	0.1
Derivatives - foreign currency forward contracts	7(B)	87.7	-	87.7	-	87.7	-	87.7
		239.2	-	239.2	0.1	87.7	151.4	239.2
Financial assets not measured at fair value								
Non-current investments in subsidiaries and JVs	4(A)	-	45,373.8	45,373.8				
Trade receivables	6(B)	-	45,602.6	45,602.6				
Loans	5(A)&5(B)	-	26,092.9	26,092.9				
Cash and bank balances	12(A)&12(B)	-	1,321.4	1,321.4				
Other financial assets	7(A)&7(B)	-	660.0	660.0				
		-	119,050.7	119,050.7				
Financial liabilities not measured at fair value								
Borrowings	15(A)	-	41,425.7	41,425.7				
Trade payables	17	-	22,023.2	22,023.2				
Other current financial liabilities	18	-	1,023.2	1,023.2				
Lease liabilities	30(A)	-	605.9	605.9				
		-	65,078.0	65,078.0				

March 31, 2022

Particulars	Notes	Carrying amount			Fair value			
		FVTPL	Amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Non-current investments in others	4(A)	151.2	-	151.2	-	-	151.2	151.2
Non-current investments in government securities	4(A)	0.2	-	0.2	-	-	0.2	0.2
Current investments	4(B)	0.1	-	0.1	0.1	-	-	0.1
Derivatives - foreign currency forward contracts	7(B)	274.7	-	274.7	-	274.7	-	274.7
		426.2	-	426.2	0.1	274.7	151.4	426.2

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Particulars	Notes	Carrying amount			Fair value			
		FVTPL	Amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value								
Non-current investments in subsidiaries and JVs	4(A)	-	31,688.6	31,688.6				
Trade receivables	6(B)	-	39,732.4	39,732.4				
Loans	5(A)&5(B)	-	8,374.0	8,374.0				
Cash and bank balances	12(A)&12(B)	-	507.8	507.8				
Other financial assets	7(A)&7(B)	-	1,660.5	1,660.5				
			81,963.3	81,963.3				
Financial liabilities not measured at fair value								
Borrowings	15(A)	-	18,186.2	18,186.2				
Trade payables	17	-	16,611.5	16,611.5				
Other current financial liabilities	18	-	4,894.3	4,894.3				
Lease liabilities	30(A)	-	762.7	762.7				
			40,454.7	40,454.7				

B. Measurement of fair values

i. Valuation technique and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value
Forward exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable
Equity investments	Discounted cash flow method	Forecast annual revenue growth rate (5%-9%) Forecast EBIT (13%-15%) Terminal growth rate- 5%	- The estimated fair value would increase (decrease) if the EBIT margin were higher (lower) - Generally a change in annual revenue growth rate is accompanied by a directionally similar change in EBIT margin

ii. Transfer between Level 1 and 2

There have been no transfers between Level 1 and Level 2 or vice-versa in 2022-23 and no transfers in either direction in 2021-22.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

C. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks being faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the audit committee.

The Company is exposed primarily to credit risk, liquidity risk and market risk (including fluctuations in foreign currency exchange rates, interest rate risk and other price risk). The Company uses derivative financial instruments such as forwards to minimise any adverse effect on its financial performance.

i. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and credit worthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, loans and other financial assets. The Company establishes an allowance for doubtful receivables and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the Management also evaluates the factors that may influence the credit risk of its customer base, including the default risk and country in which the customers operate. The Management has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms are offered. The Company's review includes external ratings, if available, financial statements, credit agency information, industry information and in some case bank references. Sales limits are established for each customer and reviewed quarterly.

The Company's receivables turnover is quick and historically, there was no significant default on account of trade and other receivables. The Company assesses at each reporting date whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The maximum exposure to credit risk at the reporting date is the carrying value of trade and other receivables. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Set out below is the information about the credit risk exposure of the Company's trade receivables using provision matrix:

Trade receivables	As at March 31, 2023				As at March 31, 2022			
	ECL Rate	Gross carrying amount	ECL simplified approach	Net Carrying Amount	ECL Rate	Gross Carrying amount	ECL simplified Approach	Net carrying Amount
Not due	0.1%	38,050.6	35.5	38,015.1	0.1%	33,784.3	18.0	33,766.3
below 90 days past due	0.6%	6,352.4	35.1	6,317.3	0.5%	4,911.9	22.6	4,889.3
91 to 180 days past due	2.5%	797.0	20.2	776.8	1.5%	666.9	10.3	656.6
181 to 270 days past due	8.2%	271.1	22.3	248.8	2.4%	171.7	4.1	167.6
271 to 360 days past due	8.0%	62.3	5.0	57.3	7.0%	127.3	8.9	118.4
361 to 450 days past due	19.3%	70.4	13.6	56.8	6.7%	32.6	2.2	30.4
451 to 540 days past due	14.3%	80.0	11.5	68.5	24.4%	19.2	4.7	14.5
541 to 630 days past due	39.3%	48.2	19.0	29.2	39.9%	34.7	13.8	20.9
631 to 720 days past due	50.8%	28.6	14.5	14.1	42.3%	10.1	4.3	5.8
721 to 810 days past due	41.2%	22.6	9.3	13.3	57.6%	54.2	31.2	23.0
811 to 900 days past due	85.7%	8.0	6.8	1.2	81.2%	91.1	73.9	17.2
901 to 990 days past due	82.1%	23.2	19.1	4.1	83.4%	113.3	94.5	18.8
991 to 1081 days past due	98.3%	6.7	6.6	0.1	91.2%	41.0	37.4	3.6
above 1081 days past due	100.0%	596.0	596.0	(0.0)	100.0%	324.0	324.0	-
Total		46,417.1	814.5	45,602.6		40,382.3	649.9	39,732.4

Reconciliation of loss allowance on trade receivables:

Particulars	March 31, 2023	March 31, 2022
Loss allowance as at 1 April	649.9	773.6
Net remeasurement of loss allowance	166.9	(123.7)
Amount written off	2.3	-
Loss allowance as at 31 March	814.5	649.9

Loan given to subsidiaries

Credit risk related to loan given to subsidiaries is not expected to be material.

Other financial assets

The Company maintains exposure in cash and cash equivalents and derivative instruments with financial institutions. The Company has loan receivables outstanding from its wholly owned subsidiaries amounting to ₹25,958.8 (31 March 2022 : ₹8,229.4).

The Company's maximum exposure to credit risk as at 31 March 2023 and 31 March 2022 is the carrying value of each class of financial assets.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The following are the remaining contractual maturities of financial liabilities at reporting date:

As at March 31, 2023

	Carrying amount	Contractual cash flows			Total
		< 12 months	1 to 5 years	> 5 years	
Non-derivative financial liabilities*					
Current borrowings	41,425.7	41,425.7	-	-	41,425.7
Trade payables	22,023.2	22,023.2	-	-	22,023.2
Other current financial liabilities	1,023.2	1,023.2	-	-	1,023.2

*Excludes lease liabilities. Refer note 30 for contractual cashflows relating to leases

As at March 31, 2022

	Carrying amount	Contractual cash flows			Total
		< 12 months	1 to 5 years	> 5 years	
Non-derivative financial liabilities*					
Current borrowings	18,186.2	18,207.9	-	-	18,207.9
Trade payables	16,611.5	16,611.5	-	-	16,611.5
Other current financial liabilities	4,894.3	4,894.3	-	-	4,894.3

*Excludes lease liabilities. Refer note 30 for contractual cashflows relating to leases

iii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk and interest rate risk.

a) Foreign currency risk:

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company. The Company is subject to foreign exchange risk primarily due to its foreign currency revenues, expenses and borrowings. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Euro and GBP against the functional currency of the Company. The Company, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange. The Company has a treasury team which evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks and advises the Management of any material adverse effect on the Company. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. The information on foreign exchange risk from derivative instruments and non derivative instruments is as follows:

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for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

The summary of quantitative data about the Company's exposure to currency risk as reported to the management is as follows:

As at March 31, 2023

Particulars	Amount in ₹				
	USD	Euro	GBP	Others	Total
Financial assets					
Trade receivables including capital goods sale	27,548.2	4,222.0	1,278.4	2,802.4	35,851.0
Cash and bank balances	544.8	303.7	121.3	6.3	976.1
Total	28,093.0	4,525.7	1,399.7	2,808.7	36,827.1
Less:					
Derivatives - foreign currency forward contracts	(2,085.1)		(609.9)	(691.9)	(3,386.9)
Net exposure in financial assets	26,007.9	4,525.7	789.8	2,116.8	33,440.2
Financial liabilities					
Borrowings including current maturities of non-current borrowings	28,594.5	9,635.1	996.1	-	39,225.7
Trade payables (including capital creditors)	7,645.2	315.5	7.9	67.6	8,036.2
Acceptances supplier credit	-	-	-	-	-
	36,239.7	9,950.6	1,004.0	67.6	47,261.9
Less:					
Derivatives - foreign currency forward contracts	(390.4)	(3,092.7)		-	(3,483.1)
Net exposure in financial liabilities	35,849.3	6,857.9	1,004.0	67.6	43,778.8
Net exposure in respect of recognised assets/(liabilities)	(9,841.4)	(2,332.2)	(214.2)	2,049.1	(10,338.6)

As at March 31, 2022

Particulars	Amount in ₹				
	USD	Euro	GBP	Others	Total
Financial assets					
Trade receivables	18,839.7	6,312.4	759.8	2,232.7	28,144.6
Cash and bank balances	91.3	0.1	34.7	3.9	130.0
Total	18,931.0	6,312.5	794.5	2,236.6	28,274.6
Less:					
Derivatives - foreign currency forward contracts	(5,013.7)	(3,031.9)	(1,212.6)	(1,677.1)	(10,935.3)
Net exposure in financial assets	13,917.3	3,280.6	(418.1)	559.5	17,339.3
Financial liabilities					
Borrowings including current maturities of non-current borrowings	15,825.5	859.9		-	16,685.4
Trade payables (including capital creditors)	4,895.2	386.8	30.5	89.4	5,401.9
Acceptances supplier credit	4,208.7				4,208.7
	24,929.4	1,246.7	30.5	89.4	26,296.0
Less:					
Derivatives - foreign currency forward contracts	(269.7)	(900.1)		-	(1,169.8)
Net exposure in financial liabilities	24,659.7	346.6	30.5	89.4	25,126.2
Net exposure in respect of recognised assets/(liabilities)	(10,742.4)	2,934.0	(448.6)	470.1	(7,786.9)

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Sensitivity analysis:

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars and Euro at 31 March would have affected the measurement of financial instruments denominated in US dollars, GBP and Euro and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit or (loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2023				
USD (5% movement)	(492.1)	492.1	(375.0)	375.0
Euro (5% movement)	(117.5)	117.5	(89.5)	89.5
GBP (5% movement)	(10.7)	10.7	(8.2)	8.2
Others (5% movement)	102.5	(102.5)	78.1	(78.1)
March 31, 2022				
USD (5% movement)	(537.1)	537.1	(477.2)	477.2
Euro (5% movement)	146.7	(146.7)	130.3	(130.3)
GBP (5% movement)	(22.4)	22.4	(19.9)	19.9
Others (5% movement)	23.5	(23.5)	20.9	(20.9)

b) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to risk of change in market interest rates because it borrows funds at both fixed and floating interest rates. The Company manages its interest rate risk by having a balances portfolio of fixed and variable rate loans and borrowings. As the company has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

Particulars	March 31, 2023	March 31, 2022
Variable rate borrowings including current maturities	39,225.7	16,685.4
Fixed rate borrowings	2,200.0	1,500.8
Total borrowings	41,425.7	18,186.2

Sensitivity analysis:

Particulars	Impact on profit and loss				Impact on equity, net of tax			
	March 31, 2023		March 31, 2022		March 31, 2023		March 31, 2022	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Variable rate instruments	(165.8)	165.8	(157.2)	157.2	(126.4)	126.4	(139.7)	139.7
Fixed rate instruments	(10.4)	10.4	(0.7)	0.7	(7.9)	7.9	(0.6)	0.6

c) Commodity risk:

Exposure to market risk with respect to commodity prices primarily arises from the Company's purchase of active pharmaceutical ingredients and other raw material components for its products. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Company's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Company's business are generally more volatile. Cost of raw materials forms the largest portion of the Company's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2020, the Company had not entered into any derivative contracts to hedge exposure to fluctuations in commodity prices.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

42 TRANSFER OF BUSINESS OF UNIT-10, UNIT-16, UNIT-4 AND UNIT-18

The Board of Aurobindo Pharma Limited on February 27, 2021 had approved the transfer of its oral formulations business comprised in Unit 10 located at Multiproduct Special Economic Zone, Naidupet, Mandal, SPSR Nellore District, Andhra Pradesh to its wholly-owned subsidiary APL Healthcare Limited through a slump sale. Undertaking was transferred for consideration of ₹13,152.7 million.

The Board of Aurobindo Pharma Limited in their meeting held on May 31, 2021 approved Transfer of business undertaking comprised in Unit-16 of the Company located at TSIC, SEZ, Polepally Village, Jadcherla Mandal, Mahbubnagar district, Telangana, to Eugia Sez Private Limited, India (formerly known as Wytells Pharma Private Limited), a wholly owned step-down subsidiary of the Company and 100% subsidiary of Eugia Pharma Specialities Limited. Undertaking was transferred for consideration of ₹2,941.2 million.

The Board of Aurobindo Pharma Limited in their meeting held on July 1, 2021 approved the transfer of business undertaking comprised in Unit-4 of the Company located at Pashamylaram, Pattancheru Mandal, Sangareddy district, Telangana, to Eugia Pharma Specialities Limited, a wholly owned subsidiary of the Company. Undertaking was transferred for consideration of ₹9,383.2 million.

Due to the above transfers the Company has recorded a capital gain tax of ₹251.7 million and a reversal of deferred tax amounting to ₹610.7 million.

The Board of Directors of the Company as part of Company's Verticalization of Vaccines Business, in its meeting held on December 31, 2021 approved the sale and transfer of Unit 18 of the Company located at Survey No.69, 70, 71 & 72, Indrakaran Village, Kandi Mandal, Sangareddy District - 502203, Telangana, to Auro Vaccines Private Limited, a wholly owned subsidiary of the Company. This transfer is aimed at segregation of the vaccines business and subsidiarization of vaccines business in an special purpose vehicle. The slump sale of Unit 18 is effective from January 1, 2022 for a lumpsum consideration of ₹3,275.5 million (on a cash free basis). Unit 18 is yet to commence commercial operations.

The details of assets and liabilities transferred on above slump sale are as under:

Particulars	Unit-10	Unit-16	Unit-4	Unit-18	Total
Non-current assets	7,288.3	1,855.3	4,091.5	3,214.6	16,449.7
Current assets	12,063.1	1,487.5	6,368.8	238.6	20,158.0
Total assets	19,351.4	3,342.8	10,460.3	3,453.2	36,607.7
Non-current liabilities	-	0.9	3.8	1.2	5.9
current liabilities	6,451.0	188.6	776.8	176.5	7,592.9
Total liabilities	6,451.0	189.5	780.6	177.7	7,598.8
Net assets transferred	12,900.4	3,153.3	9,679.7	3,275.5	29,008.9
Consideration	13,152.7	2,941.2	9,383.2	3,275.5	28,752.6
Gain/(loss)*	252.3	(212.1)	(296.5)	-	(256.3)

*Grouped under other expenses.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

43 TRANSFER OF API BUSINESS

The Board of Directors of the Company at its meeting held on February 9, 2023 approved the transfer of certain Active Pharmaceutical Ingredients (API) business units (Unit I, VIII, IX, XI, XIV and RC - 02) to its wholly owned subsidiary, Apitoria Pharma Private Limited (APPL) (formerly known as Auro Pharma India Private Limited) on going concern basis by way of a slump sale w.e.f April 01, 2023. The Transfer of said units are pending for necessary regulatory approvals The book value of assets and liabilities of such business units as at December 31, 2022 are as below:

Particulars	Amount
Assets:	
Property plant & equipment	11,788.0
Right of use assets	0.1
Capital work in progress	1,399.2
Financial assets	424.2
Current assets	27,783.8
Other assets	395.4
Total (A)	41,790.7
Liabilities:	
Lease liability	0.2
Provisions	427.4
Current liabilities	7,734.1
Other liabilities	597.3
Total (B)	8,759.0
Net assets value (A-B)	33,031.7

Subsequent to year end, on April 01, 2023 Board of Directors of the Company approved the transfer of two API units (Unit V and XVII) to its wholly owned subsidiary, APPL on going concern basis by way of a slump sale w.e.f April 01, 2023

44 The Board of Directors of the Company at its meeting held on March 28, 2022 had approved the acquisition of business including certain assets of Veritaz Healthcare Limited (Veritaz). Consequently, the Company entered into a definitive agreement with Veritaz for the said acquisition for a total consideration of ₹1,689.2 and obtained control w.e.f. April 1, 2022 over such business and assets. Consequently, basis of the purchase price allocation the company recorded goodwill aggregating to ₹917.0 as at March 31, 2023

Particulars	Amount
Purchase Consideration	1,689.2
Assets	
Property, Plant and Equipment	4.0
Current assets	378.9
Trademarks	839
Total assets	1,221.9
Liabilities	
Current liabilities	361.8
Other financial liabilities	6.4
Provisions	81.5
Total liabilities	449.7
Less: Net Assets	772.2
Goodwill	917.0

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for the year ended March 31, 2023

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45 TITLE DEEDS OF IMMOVABLE PROPERTY NOT HELD IN THE NAME OF THE COMPANY (REFER NOTE 3A) March 31, 2023

Relevant line item in the balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Property plant and equipment	Freehold land located in Telangana admeasuring 24 Acres 15 Guntas	3.1	Sri Chakra Remedies Limited	No	Since 2001	The title deeds are in the name of the erstwhile Company that was amalgamated with the Company pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Andhra Pradesh dated April 3,2001.
Property plant and equipment	Building located in Telangana	35.3	Sri Chakra Remedies Limited	No	Since 2001	
Property plant and equipment	Freehold land located in Telangana admeasuring 26 Acres 27 Guntas	3.4	Ranit Pharma Limited	No	Since 2003	The title deeds are in the name of the erstwhile Company that was amalgamated with the Company pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Andhra Pradesh dated April 9,2003.
Property plant and equipment	Freehold land located in Telangana admeasuring 1 Acre 20 Guntas	0.3	Senor Organics Private limited,	No	Since 2007	The title deeds are in the name of the erstwhile Company that was amalgamated with the Company pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Andhra Pradesh dated June 21,2007.
Property plant and equipment	Freehold land located in Andhra Pradesh admeasuring 69 Acres 27 Cents	96.5	Hyacinths Pharma Private Limited	No	Since 2019	The title deeds are in the name of the erstwhile Company that was amalgamated with the Company pursuant to the Scheme of Amalgamation sanctioned by the National Company Law Tribunal, Hyderabad dated March 30,2021
Property plant and equipment	Freehold land located in Andhra Pradesh admeasuring 109 Acres 5 Cents	85.3	APL Research Center Limited	No	Since 2019	
Property plant and equipment	Freehold land located in Andhra Pradesh admeasuring 4 Acres 36 Cents	19.3	Silicon Life Sciences Private Limited	No	Since 2019	
Property plant and equipment	Building located in Andhra Pradesh	213.7	Silicon Life Sciences Private Limited	No	Since 2019	

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Relevant line item in the balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Property plant and equipment	Freehold land located in Andhra Pradesh admeasuring 43 Acres 16 Cents	103.7	Ramky Pharma city (India) Limited and Andhra Pradesh Industrial Infrastructure corporation Limited	No	Since 2005	Agreement of Sale to the Company is completed and registration infavour of Company is completed on May 22, 2023.
Property plant and equipment	Freehold land located in Telangana admeasuring 37 Acres 37 Guntas	47.7	TSIIC (Agreement for Sale of Land)	No	Since 2016	Agreement of Sale to the Company is completed and fulfillment of conditions to transfer the title deeds is in progress
Property plant and equipment	Freehold land located in Telangana admeasuring 4 Acres 39 Guntas	6.9	APIIC (Alienation of Government land)	No	Since 2010	Government has alienated the land to the company for the purpose of development and expansion of unit
Property plant and equipment	Freehold land located in Andhra Pradesh admeasuring 25 Acres 72 Cents	12.9	APIIC (Alienation of Government land)	No	Since 2010	Government has alienated the land to the company for the purpose of development and expansion of unit
Property plant and equipment	Freehold land located in Telangana admeasuring 3 Acres 6 Guntas	1.0	TSIIC (Alienation of Government land)	No	Since 2004	Government has alienated the land to the company for the purpose of development and expansion of unit
		629.1				

March 31, 2022

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Property plant and equipment	Freehold land located in Telangana admeasuring 15 Acres	2.9	Sri Chakra Remedies Limited	No	Since 2001	The title deeds are in the name of the erstwhile Company that was amalgamated with the Company pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Andhra Pradesh dated April 3,2001.
Property plant and equipment	Building located in Telangana	35.3	Sri Chakra Remedies Limited	No	Since 2001	

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for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Property plant and equipment	Freehold land located in Telangana admeasuring 24.75 Acres	4.4	Ranit Pharma Limited	No	Since 2003	The title deeds are in the name of the erstwhile Company that was amalgamated with the Company pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Andhra Pradesh dated April 9,2003.
Property plant and equipment	Freehold land located in Andhra Pradesh admeasuring 16 Acres	103.7	Ramky Pharma city (India) Limited and Andhra Pradesh Industrial Infrastructure corporation Limited	No	Since 2005	Agreement of Sale to the Company is completed and fulfillment of conditions to transfer the title deeds is in progress
Property plant and equipment	Freehold land located in Telangana admeasuring 2 Acres	0.3	Senor Organics Private limited,	No	Since 2007	The title deeds are in the name of the erstwhile Company that was amalgamated with the Company pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Andhra Pradesh dated June 21, 2007.
Property plant and equipment	Freehold land located in Andhra Pradesh admeasuring 1 Acre	97.7	Hyacinths Pharma Private Limited	No	Since 2019	
Property plant and equipment	Freehold land located in Andhra Pradesh admeasuring 438 Acres	114.5	APL Research Center Limited	No	Since 2019	The title deeds are in the name of the erstwhile Company that was amalgamated with the Company pursuant to the Scheme of Amalgamation sanctioned by the National Company Law Tribunal, Hyderabad dated March 30,2021
Property plant and equipment	Freehold land located in Andhra Pradesh admeasuring 4.36 Acres	19.3	Silicon Life Sciences Private Limited	No	Since 2019	
Property plant and equipment	Building located in Andhra Pradesh	213.7	Silicon Life Sciences Private Limited	No	Since 2019	
		591.8				

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(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

46 CAPITAL WORK-IN-PROGRESS AGING SCHEDULE (REFER NOTE 3B)

March 31, 2023

Particulars	Amount in capital work-in progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress:					
Active Pharmaceutical Ingredient (API) Projects	573.6	702.5	51.2	-	1,327.3
Others	856.6	194.2	12.9	-	1,063.7
	1,430.2	896.7	64.1	-	2,391.0
Projects temporarily suspended	Nil	Nil	Nil	Nil	Nil

March 31, 2022

Particulars	Amount in capital work-in progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress:					
Active Pharmaceutical Ingredient (API) Projects	1,483.7	86.7	-	-	1,570.4
Others	617.6	63.5	-	-	681.1
	2,101.3	150.2	-	-	2,251.5
Projects temporarily suspended	Nil	Nil	Nil	Nil	Nil

Note: The Company does not have any capital work in progress which is overdue or has exceeded its cost compared to its original plan and hence capital work in progress completion schedule is not applicable.

47 NON CURRENT TRADE RECEIVABLES AGEING SCHEDULE (REFER NOTE 6A)

March 31, 2023

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	4.5	428.5	433.0
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	-	-	-	-	4.5	428.5	433.0
Less: loss allowance							433.0
Net non current trade receivable							0.00

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

March 31, 2022

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	4.9	353.7	358.6
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	-	-	-	-	4.9	353.7	358.6
Less: loss allowance							358.6
Net non current trade receivable							-

48 CURRENT TRADE RECEIVABLES AGING SCHEDULE (REFER NOTE 6B)

March 31, 2023

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	38,999.1	6,162.1	306.2	133.5	1.7	-	45,602.6
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	36.0	55.4	27.3	64.5	35.8	162.5	381.5
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	39,035.1	6,217.5	333.5	198.0	37.5	162.5	45,984.1
Less: loss allowance							381.5
Net trade receivable							45,602.6

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

March 31, 2022

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	33,727.6	5,584.6	289.6	68.2	59.3	3.1	39,732.4
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	18.0	32.9	13.0	25.0	199.6	2.8	291.3
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	33,745.6	5,617.5	302.6	93.2	258.9	5.9	40,023.7
Less: loss allowance							291.3
Net non current trade receivable							39,732.4

49 SHARES HELD BY PROMOTERS AT THE END OF THE YEAR (REFER NOTE 13)

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

Promoter name	March 31, 2023		March 31, 2022		% change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
M Sivakumaran	14,491,360	2.47%	14,491,360	2.47%	-
Kottamanchi Rajeshwari	1,825,500	0.31%	1,825,500	0.31%	-
Penaka Suneela Rani	130,000	0.02%	130,000	0.02%	-
K Nityananda Reddy	25,359,572	4.33%	25,359,572	4.33%	-
Prasada Reddy Kambham	301,156	0.05%	301,156	0.05%	-
K Suryaprakash Reddy	7,380	0.00%	7,380	0.00%	-
M Sumanth Kumar Reddy	1,600,000	0.27%	1,600,000	0.27%	-
Kirithi Reddy Kambam	20,450,000	3.49%	20,450,000	3.49%	-
Kambam Spoorthi	7,000,000	1.19%	7,000,000	1.19%	-
Venkata Ramprasad Reddy Penaka	18,000,000	3.07%	18,000,000	3.07%	-
Trident Chemphar Limited	789,537	0.13%	789,537	0.13%	-
Axis Clinicals Limited	658,000	0.11%	658,000	0.11%	-
RPR Sons Advisors Private Limited, Mrs. P. Suneela Rani (jointly holding)	196,376,250	33.51%	196,376,250	33.51%	-
Auryn Labs (Axis Clinicals Ltd, Trident Chemphar Ltd & RPR Sons Advisors Pvt. Ltd jointly)	16,726,716	2.85%	16,726,716	2.85%	-
	303,715,471	51.83%	303,715,471	51.83%	-

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

Promoter name	March 31, 2022		March 31, 2021		% change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
M Sivakumaran	14,491,360	2.47%	14,491,360	2.47%	-
Kattamanchi Rajeshwari	1,825,500	0.31%	1,825,500	0.31%	-
Penaka Neha Reddy	-	0.00%	130,000	0.02%	-100%
Penaka Suneela Rani	130,000	0.02%	-	-	100%
K Nityananda Reddy	25,359,572	4.33%	25,359,572	4.33%	-
Prasada Reddy Kambham	301,156	0.05%	301,156	0.05%	-
K Suryaprakash Reddy	7,380	0.00%	7,380	0.00%	-
M Sumanth Kumar Reddy	1,600,000	0.27%	1,600,000	0.27%	-
Kirithi Reddy Kambam	20,450,000	3.49%	20,450,000	3.49%	-
Kambam Spoorthi	7,000,000	1.19%	7,600,000	1.30%	-7.89%
Venkata Ramprasad Reddy Penaka	18,000,000	3.07%	18,000,000	3.07%	-
Trident Chemphar Limited	789,537	0.13%	789,537	0.13%	-
Axis Clinicals Limited	658,000	0.11%	658,000	0.11%	-
RPR Sons Advisors Private Limited, Mrs. P. Suneela Rani (jointly holding)	196,376,250	33.51%	196,376,250	33.51%	-
Axis Clinicals Limited, Trident Chemphar Limited, RPR Sons Advisors Pvt. Ltd. (jointly holding)	16,726,716	2.85%	16,726,716	2.85%	-
	303,715,471	51.83%	304,315,471	51.94%	-0.11%

50 TRADE PAYABLES AGING SCHEDULE (REFER NOTE 17)

March 31, 2023

Particulars	Not due*	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2 - 3 years	more than 3 years	
(i) MSME	449.8	15.3	-	-	-	465.1
(ii) Others	17,028.2	4,448.2	35.3	14.9	31.5	21,558.1
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
	17,478.0	4,463.5	35.3	14.9	31.5	22,023.2

*Includes unbilled accrued amounts.

March 31, 2022

Particulars	Not due*	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2 - 3 years	more than 3 years	
(i) MSME	294.4	4.5	-	-	-	298.9
(ii) Others	11,183.3	5,003.7	62.2	32.3	31.1	16,312.6
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
	11,477.7	5,008.2	62.2	32.3	31.1	16,611.5

*Includes unbilled accrued amounts.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

51 ADDITIONAL REGULATORY INFORMATION

The MCA vide notification dated March 24, 2021 has amended Schedule III of Companies Act, 2013 in respect of certain disclosures. Amendments are applicable from April 1, 2021. The Company has incorporated the changes as per the said amendment in the financial statements and has also changed comparative numbers wherever applicable.

Other Statutory Information:

- There are no proceeding initiated or pending against the Company as at March 31, 2023, under Benami Property Transactions Act, 1988 (as amended in 2016).
- The Company is not declared a willful defaulter by any bank or financial Institution or other lender.
- The Company has recorded all transactions in the books of account that has been surrendered. There are no previously unrecorded incomes and related assets that were considered during the year, no unrecorded incomes were identified as income for tax assessments.
- The Company has not entered into any transaction with the companies struck off as per Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- The details of funds that have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

a) Date and amount of fund advanced or loaned or invested in Intermediate with complete details:

Purpose	Name of the intermediary	Date of remittance	Amount
For onward investment	Eugia Pharma Specialities Limited	June 27, 2022	3,330.0

b) Date and amount of fund further advanced or loaned or invested by such intermediate to other intermediate or Ultimate Beneficiaries along with complete details of the ultimate beneficiary:

Purpose	Name of the intermediary	Date of remittance	Name of the Beneficiary	Amount
For payment of purchase consideration on acquisition of business	Eugia Pharma Specialities Limited	June 27, 2022	Eugia SEZ Private Limited	3,330.0

- The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- All quarterly returns or statements of current assets are filed by the Company with banks or financial institutions and are in agreement with the books of account.
- The loan has been utilised for the purpose for which it was obtained and no short term funds have been used for long term purpose.
- The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
- No scheme of arrangement has been approved by the competent authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

(xii) Ratios

Ratios	Numerator	Denominator	March 31, 2023	March 31, 2022	Percentage of variance	Reason for variance
(a) Current ratio (in times)	Current Assets	Current liabilities	1.46	2.35	-38%	The variance in current ratio is on account of increase in current liabilities which primarily comprises of Borrowings and Trade payables. There has been an increase in working capital loans availed during the period.
(b) Debt-equity ratio (in times)	Total debt	Equity and other equity	0.23	0.11	109%	The variance is on account of increase in total debt which primarily comprises of working capital loans.
(c) Debt service coverage ratio (in times)	EBITDA (Earning before interest, amortisation, depreciation and tax)	Interest expenses including interest on lease liabilities	13.94	64.51	-78%	The variance is due to increase in finance cost during the year which is primarily on account of increase in working capital loans availed and interest rates.
(d) Return on equity ratio (in %)	Profit after tax	Average of Total Equity	7.0%	8.8%	-20%	The variance is on account of decrease in profit which is primarily on account of increase in finance cost during the year due to increase in working capital loans availed and interest rates.
(e) Inventory turnover ratio (in times)	Sales of Goods	Average inventory	3.32	2.7	23%	The variance is on account of increase in operations of the company during the year.
(f) Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	3.0	2.28	32%	The variance is on account of increase in operations of the company during the year.
(g) Trade payables turnover ratio (in times)	Purchases	Average trade payables	3.91	2.44	60%	The variance is on account of increase in operations of the company during the year.
(h) Net capital turnover ratio (in times)	Revenue	Working capital (current assets-current liabilities)	4.2	2.0	110%	The variance is on account of increase in Revenue from operations during the year and decrease in current ratio as stated above.
(i) Net profit ratio (in %)	Profit after tax	Net Sales	9.63%	12.89%	-25%	The variance is on account of decrease in Profit after tax which is primarily on account of increase in finance cost during the year due to increase in working capital loans availed and interest rates.
(j) Return on capital employed (in %)	EBIT (Earning before interest and tax)	Capital employed (Tangible net worth+Total debt+Deferred tax liability)	7.83%	8.63%	-9%	The variance is on account of increase in total debt which primarily comprises of working capital loans.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Ratios	Numerator	Denominator	March 31, 2023	March 31, 2022	Percentage of variance	Reason for variance
(k) Return on investment (in %)	Dividend and interest on investment	Total investment	2.67%	7.20%	-63%	The variance is on account of decrease in dividend income from subsidiaries during the year which is being offset by increase in Interest income earned from loans granted to subsidiaries during the period.

52 EXCEPTIONAL ITEMS

Exceptional items represent the following items which have been debited to statement of profit and loss.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Provision for impairment in value of investment in Auro Peptides Limited- subsidiary (including dividend)*	-	747.1

*Due to uncertain regulatory development and change in business plan, the Company recorded an impairment loss of ₹747.1 million during the previous financial year.

53 The standalone financial statements of the Company for the year ended March 31, 2022, were audited by the M/s BSR & Associates LLP, Chartered Accountants, the predecessor auditor, who have expressed an unmodified opinion vide their report dated May 30, 2022.

54 In connection with the preparation of the standalone financial statements for the year ended March 31, 2023, the Board of Directors have confirmed the propriety of the contracts / agreements entered into by / on behalf of the Company and the resultant revenue earned / expenses incurred arising out of the same after reviewing the levels of authorisation and the available documentary evidences and the overall control environment. Further, the Board of Directors have also reviewed the realizable value of all the current assets of the Company and have confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognised in the standalone financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these standalone financial statements in its meeting held on May 27, 2023 in accordance with the provisions of Companies Act, 2013.

As per our report of even date attached.
For **Deloitte Haskins & Sells**
Chartered Accountants
ICAI Firm Registration Number: 008072S

C Manish Muralidhar
Partner
Membership No: 213649

Place: Hyderabad
Date: May 27, 2023

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

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

Santhanam Subramanian
Chief Financial Officer

Place: Hyderabad
Date: May 27, 2023

Dr. M. Sivakumaran
Director
DIN-01284320

B. Adi Reddy
Company Secretary
Membership No:13709

Independent Auditor's Report

To The Members of AUROBINDO PHARMA LIMITED

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of AUROBINDO PHARMA LIMITED ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") and the Group's share of profit / loss in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and 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, according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and joint ventures, referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated profit, their consolidated total comprehensive

income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matter	Auditor's Response
1	<p>Revenue recognition — Refer to note 24 of the Consolidated financial statements:</p> <p>Refer to note 2.3 (c) of the summary of significant accounting policies.</p> <p>The Parent recognises revenue from sale of API, Intermediates and Formulations based on the terms and conditions of transactions which varies with different customers which define the timing of the transfer of control to the customer. For revenue recognized during the period near to the Balance Sheet date, it is essential to ensure that the control of goods have transferred to the customers.</p> <p>Dispatch of goods to the customer's location happens from multiple locations including factories, warehouses and third-party locations.</p> <p>The Group generates revenue across various geographies through commercial arrangements prevalent in those geographies. These commercial arrangements involve chargebacks, rebates, discounts, and other allowances, which are deducted from the gross revenue to arrive at Revenue from Operations.</p>	<p>Our audit procedures and procedures performed by component auditors amongst others included the following:</p> <p>a) Evaluated the Company's revenue recognition policy and assessed compliance with the Indian Accounting Standard (Ind AS).</p> <p>b) Obtained an understanding of the revenue recognition process and tested the Parent's controls around the timely and accurate recording of sales transactions.</p> <p>c) Tested the access and change management controls of the relevant information technology system in which shipments are recorded.</p> <p>d) Basis of the sales recorded during the year, performed a lead time analysis to arrive at the average lead time taken for transfer of control to the customers from the date of dispatch, against the various shipping terms.</p> <p>e) Selected samples from invoices recorded during such lead sales time immediately before the balance sheet date and obtained evidence of delivery to support the revenue recognition / reversal of revenue as the case may be.</p>

Sr. No	Key Audit Matter	Auditor's Response
	<p>These deductions involve significant judgement and estimation, in particular with respect to the accruals associated with the revenue transactions pertaining to the Group's business in United States of America.</p> <p>We identified the recognition of revenue from sale of products as a key audit matter because:</p> <p>a) Revenue recognition being subject to the manual exercise of tracking the evidence of delivery and ascertaining the revenue recognition date against each invoice, we identified the Cut-off of revenue as a key audit matter.</p> <p>b) Accrual towards chargebacks and rebates is complex and involves significant management estimation.</p>	<p>f) Obtained an understanding of the Group's process for revenue recognition, judgments in estimation and accounting treatment of chargebacks and rebates.</p> <p>g) Evaluated the design and tested the operating effectiveness of the internal controls over measurement of chargebacks and rebates.</p> <p>h) Tested the access and change management controls of the relevant information technology system in which such chargebacks and rebates are recorded.</p> <p>i) Obtained workings for accruals of the chargebacks and rebates, as at year end. Tested the underlying calculations for amounts recorded as accruals and provisions.</p> <p>j) Evaluated historical accuracy of the Group's estimates of year-end accruals pertaining to aforesaid arrangements made in the previous years to identify any management bias.</p> <p>k) Evaluated the adequacy of disclosures in the consolidated financial statements.</p>
2	<p>Inventory Existence and Valuation — Refer to Note 14 of the Consolidated financial statements:</p> <p>Refer to Note 2.3 (g) of the summary of significant accounting policies.</p> <p>The carrying value of inventories comprising of raw materials, packing materials, work-in-progress, finished goods, stores, spares and consumables as at March 31, 2023 is ₹85,112.3 million.</p> <p>Inventories are located at Multiple locations including factories, warehouses and third-party locations</p> <p>Inventories are valued at lower of cost, determined on weighted average basis and net realisable value. Raw material costs include cost of purchase and other costs incurred in bringing the inventories to their present location and condition.</p> <p>Finished goods and work-in-progress costs include direct material, labour and a proportion of manufacturing overheads based on the normal operating capacity.</p> <p>Inventory valuation is carried out across the manufacturing units in excel spreadsheets based on the quantitative inputs extracted from the books of accounts.</p> <p>Existence and Valuation of Inventory has been considered as a key audit matter due to:</p> <p>a. Significance of the inventory balance to the total assets as per consolidated financial statements.</p> <p>b. Multiple locations that inventory is held at.</p> <p>c. Valuation of inventory in a non-automated environment, and the resultant likelihood of material misstatement resulting from errors in computation.</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> Evaluating the Group's inventory accounting policies and assessing compliance with the relevant accounting standards. Evaluating the design and testing the implementation and operating effectiveness of the Group's internal controls over inventory valuation and accounting. We evaluated the design, implementation and operating effectiveness of general IT controls and key application controls over the Group's IT systems including those relating to recording of inventory quantities on occurrence of each transaction, including access controls, controls over program changes. For selected locations, observed the physical verification conducted by management near to the year end and tested the roll forward procedures performed by management on a sample basis. Tested the costs as calculated by the management on a sample basis by verifying underlying records such as purchase invoices, cost sheets, overhead allocations and capacity utilization certificates. Compared the cost of Raw materials, Finished goods and Work in Progress with the estimated net realizable value and checked if those inventories were recorded at net realizable value where the cost was higher than the net realizable value.

Sr. No	Key Audit Matter	Auditor's Response
3	<p>Litigation, Claims and Contingent Liabilities - Refer to note 34 of the Consolidated financial statements:</p> <p>Refer to note 2.3 (m) of the summary of significant accounting policies.</p> <p>The Group is involved in various legal proceedings including product liability, contracts, employment claims, investigations, disputed taxes and other regulatory matters relating to conduct of its business.</p> <p>Most of the claims involve complex legal and regulatory issues. The Group, assisted by their external legal counsel assesses the need to make provision or disclose a contingency on a case-to-case basis considering the underlying facts of each litigation. The Group's conclusions may result in an incorrect Provision or disclosure in the Consolidated financial statements considering the aforesaid assessment involves significant judgement to be exercised by the Group based on current developments. Further, unexpected adverse outcomes could also significantly impact the Group's reported results.</p> <p>Given the different views possible, basis the interpretations, complexity and the magnitude of the potential exposures, and the judgement necessary to determine required disclosures, this is a key audit matter.</p>	<p>Our audit procedures and procedures performed by component auditors amongst others included the following:</p> <ul style="list-style-type: none"> Understood the process, evaluated the design and implementation of controls and tested the operating effectiveness of the Group's controls over the recording and assessment of uncertain legal positions, claims & contingent liabilities. Held discussions with management including the person responsible for legal & compliance to obtain an understanding of the factors considered by management in classification of the matter as probable, possible and remote. Examined the Group's legal expenses on sample basis and read the minutes of the board meetings in order to ensure completeness. Circulated, obtained and read legal confirmations from Group's external legal counsels in respect of material litigations and considered probability assessment of the outcomes. Examine documents in the Group's possession concerning litigation and claims, legal advice/opinion received by the Group. Obtained corroborative evidence to confirm the status & existence of the litigation. Evaluated the adequacy of disclosures made in the Consolidated financial statements.
4	<p>Impairment assessment of Goodwill, Intangible Assets and Intangible Assets under Development — Refer to note 5 and note 6 of the consolidated financial statements:</p> <p>Refer to note 2.3 (e) of the summary of significant accounting policies.</p> <p>The carrying value of Goodwill, Intangible assets and Intangible assets under development in respect to certain subsidiaries aggregates to ₹24,993.9 million.</p> <p>The Group performs the annual assessment of the goodwill, intangible assets with indefinite useful lives and intangible assets under development at each cash generating unit (CGU) level to identify any indicators of impairment. The Group's evaluation involves comparison of its recoverable amount to its carrying amount.</p> <p>The recoverable amount is determined based on higher of fair value less costs to sell or value in use, which represents the present value of the estimated future cash flows expected to arise from the use of the asset group comprising each cash generating unit. There is a risk that the goodwill / Intangible assets / Intangible Assets under Development will be impaired if these cash flows do not meet the Group's expectations.</p> <p>Due to the significance of the amounts involved, management's assessment process involving significant judgement and estimation, the impairment assessment of goodwill, intangibles and intangible assets under development is considered as a Key Audit Matter.</p>	<p>Our audit procedures and procedures performed by component auditors amongst others included the following:</p> <ul style="list-style-type: none"> Evaluated the design and tested the operating effectiveness of the internal controls relating to review of impairment assessment process, including those over the forecast of future revenues, growth rate, terminal values and the selection of the appropriate discount rate. Evaluated the impairment indicator assessment performed by the Group considering quantitative and qualitative factors. Evaluated the reasonableness of the Management's estimates and judgements through discussion with management and by comparing the forecasts to historical revenues, margins, growth rate etc. With the assistance of our internal fair value specialists, evaluated the reasonableness of the valuation methodology, discount rate and other key business assumptions used in the assessment. Tested the mathematical accuracy of the model to conclude that the model is accurately calculating the value in use. Performed sensitivity analysis around these key estimates to ascertain the extent of change in those assumptions that either individually or collectively would be required for the Goodwill, Other Intangible and Intangible assets under Development assets tested to be impaired. Evaluated the adequacy of disclosures made in the consolidated financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Board's Report, Business Responsibility and Sustainability Report and Report on Corporate Governance, including Annexures, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and joint ventures audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and joint ventures is traced from their financial statements audited by other auditors.
- 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.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and joint ventures for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and

design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the respective entities 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 their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

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

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

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

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

- Obtain an understanding of internal financial 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 Parent has adequate internal financial controls with reference to consolidated 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures 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 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 and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remains responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

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

OTHER MATTERS

- a) We did not audit the financial statements of 73 subsidiaries, whose financial statements / financial information reflect total assets of ₹277,241.7 million as at March 31, 2023, total revenues of ₹163,982.4 million and net cash flows (net) amounting to ₹3,371.7 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹(120.8) million for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of 6 joint ventures, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures is based solely on the reports of the other auditors.
- b) The Consolidated financial statements also include Group's share of net loss of ₹(12.0) million for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of 2 associates, whose financial information have not been audited by us. These financial information are unaudited and 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 associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements/ financial information of the subsidiaries and joint ventures referred to in the Other Matters section above we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

- e) On the basis of the written representations received from the directors of the Parent as on March 31, 2023 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and joint venture companies incorporated in India, none of the directors of the Group companies and joint venture companies incorporated in India is disqualified as on March 31, 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 consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary companies and joint venture companies incorporated in India, the remuneration paid by the Parent and such subsidiary companies and joint venture companies to their respective directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures. Refer Note 34 of consolidated financial statements.

- ii. The Group, its associates and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associates companies and jointly ventures companies incorporated in India.
- iv. (a) The respective Managements of the Parent and its subsidiaries and joint ventures which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, and joint ventures respectively that, to the best of their knowledge and belief, other than as disclosed in the note 55(v) 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 Parent or any of such subsidiaries and joint ventures 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 Parent or any of such subsidiaries and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Parent and its subsidiaries and joint ventures which are companies incorporated in India, whose financial statements have been

audited under the Act, have represented to us and to the other auditors of such subsidiaries and joint ventures that, to the best of their knowledge and belief, other than as disclosed in the note 55(vi) to consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries and joint ventures from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries and joint ventures 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.

- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and joint ventures, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend proposed in the previous year, declared and paid by the Parent and its subsidiaries and joint ventures which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with section 123 of the Act, as applicable.

- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Parent Company and its subsidiaries, associates and joint ventures which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
- 2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in their reports of the said respective companies included in the consolidated financial statements except for the following:

Sr No	Name of the company	CIN	Nature of relationship	Clause Number of CARO report with qualification or adverse remark
1	Aurobindo Pharma Limited	L24239TG1986PLC015190	Parent	(i)(c)
2	Apitoria Pharma India Private Limited	U24298TG2017PTC121342	Wholly Owned Subsidiary	(xvii)
3	Auroactive Pharma Private Limited	U24230TG2020PTC138313		(xvii)
4	CuraTeQ Biologics Private Limited	U24110TG2020PTC140190		(xvii)
5	AuroZest Private Limited	U24299TG2020PTC142578		(xvii)
6	Auronext Pharma Private Limited	U74999TG2009PTC109591		(xvii)
7	Aurobindo Antibiotics Private Limited	U24110AP2020PTC115965		(xvii)
8	Eugia Steriles Private Limited	U24239TG2020PTC141428		(xvii)
9	Auro vaccines Private Limited	U24297TG2021PTC156684		(i)(c) and (xvii)
10	Eugia Pharma Specialities Ltd	U24297TG2013PLC087048	Subsidiary	(ix)(e)
11	Lyfius Pharma Private Limited	U24299AP2020PTC116443	Step Down Subsidiary	(xvii)
12	Qule Pharma Private Limited	U24304AP2020PTC116442		(xvii)
13	TheraNyM Biologics Private Limited	U24230TG2022PTC166946		(xvii)
14	Eugia SEZ Private Limited	U24299TG2021PTC148856		(xvii)
15	Raidurgam Developers Limited	U45100TG2012PLC081892	Joint Venture	(xix)
16	Tergene Biotech Limited	U24230TG2008PLC113178		(xvii)

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

C Manish Muralidhar
(Partner)
(Membership No. 213649)

Place: Hyderabad
Date: May 27, 2023
UDIN: 23213649BGVBYT2487

Annexure “A” to the Independent Auditor’s Report

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

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of **AUROBINDO PHARMA LIMITED** (hereinafter referred to as “Parent”) and its subsidiary companies, which includes internal financial controls with reference to consolidated financial statements of its subsidiaries which are companies incorporated in India, its associate companies and joint ventures which are companies incorporated in India, as of that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies 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 (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable

assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies, and its joint ventures, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company’s internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

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

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

OPINION

In our opinion 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 referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies 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.

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to seventeen (17) subsidiary companies, and two (2) joint ventures, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

The Parent has consolidated financial information of two (2) associates which are companies incorporated in India on the basis of unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, such associates are not material to the Group.

Our opinion is not modified in respect of the above matters.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm’s Registration No. 008072S)

Place: Hyderabad
Date: May 27, 2023
UDIN: 23213649BGVBYT2487

C Manish Muralidhar
(Partner)
(Membership No. 213649)

Consolidated Balance Sheet

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Note	As at March 31, 2023	As at March 31, 2022
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	3(A)	75,433.7	72,204.3
(b) Capital work-in-progress	3(B)	44,964.0	29,375.6
(c) Right to Use Assets	4	4,520.1	5,080.1
(d) Goodwill	5	5,960.7	4,754.2
(e) Other intangible assets	6(A)	24,322.4	23,282.3
(f) Intangible assets under development	6(B)	8,936.1	8,096.4
(g) Investments in Associates and Joint ventures	7(A)	900.0	793.5
(h) Financial assets			
(i) Investments	7(B)	3,017.4	5,389.5
(ii) Loans	8(A)	55.7	63.2
(iii) Trade receivables	9(A)	-	-
(iv) Other financial assets	10(A)	1,503.7	1,289.2
(i) Deferred tax assets (net)	11(A)	6,774.9	2,885.9
(j) Income tax assets (net)	12(A)	2,885.2	3,189.7
(k) Other non-current assets	13(A)	4,169.3	1,586.4
Total non-current assets		183,443.2	157,990.3
Current assets			
(a) Inventories	14	85,112.3	75,538.5
(b) Financial assets			
(i) Investments	7(C)	1,510.0	3,788.5
(ii) Trade receivables	9(B)	44,663.8	40,122.6
(iii) Cash and cash equivalents	15(A)	43,962.9	41,625.1
(iv) Bank balances other than (iii) above	15(B)	16,879.1	275.0
(v) Loans	8(B)	124.3	127.1
(vi) Other financial assets	10(B)	2,903.5	709.1
(c) Income tax assets (net)	12(B)	756.2	2,699.9
(d) Other current assets	13(B)	18,687.0	15,550.1
Total current assets		214,599.1	180,435.9
Assets held for sale	13(C)	857.6	791.0
TOTAL ASSETS		398,899.9	339,217.2
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	585.9	585.9
(b) Other equity	17	267,812.6	245,173.9
Equity attributable to owners of the Parent Company		268,398.5	245,759.8
(c) Non-controlling interest		120.0	(19.3)
Total equity		268,518.5	245,740.5
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18(A)	6,189.6	2,492.1
(ii) Lease liability	33(A)	3,215.3	3,186.1
(iii) Others	21(A)	125.0	113.5
(b) Provisions	19(A)	1,727.2	1,717.9
(c) Deferred tax liabilities (net)	11(B)	3,896.1	4,109.6
(d) Other non-current liabilities	22(A)	290.4	297.7
Total non-current liabilities		15,443.6	11,916.9
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18(B)	42,425.6	21,235.6
(ii) Lease liability	33(A)	1,031.6	1,598.9
(iii) Trade payables	20		
(A) total outstanding dues of micro enterprises and small enterprises		622.7	384.7
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		38,090.4	26,645.8
(iv) Other financial liabilities	21(B)	17,213.7	17,746.5
(b) Other current liabilities	22(B)	11,432.5	11,662.4
(c) Provisions	19(B)	2,005.3	1,705.6
(d) Current tax liabilities (net)	23	2,116.0	580.3
Total current liabilities		114,937.8	81,559.8
TOTAL EQUITY AND LIABILITIES		398,899.9	339,217.2
Corporate information & Summary of significant accounting policies	1 & 2.3		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached.
For **Deloitte Haskins & Sells**
Chartered Accountants
ICAI Firm Registration Number: 008072S

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

C Manish Muralidhar
Partner
Membership No: 213649

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

Dr. M. Sivakumaran
Director
DIN-01284320

Santhanam Subramanian
Chief Financial Officer

B. Adi Reddy
Company Secretary
Membership No:13709

Place: Hyderabad
Date: May 27, 2023

Place: Hyderabad
Date: May 27, 2023

Consolidated Statement of Profit and Loss

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Note	Year ended March 31, 2023	Year ended March 31, 2022
I INCOME			
Revenue from operations	24	248,553.8	234,554.9
Other income	25	2,905.9	3,203.5
TOTAL INCOME (I)		251,459.7	237,758.4
II EXPENSES			
Cost of materials consumed	26	96,525.1	73,718.3
Purchases of stock-in-trade		20,504.3	19,517.7
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	(4,096.8)	8,166.8
Employee benefits expense	28	35,222.5	34,509.2
Finance costs	29	1,404.8	486.4
Depreciation and amortisation expense	30	12,445.8	11,265.2
Other expenses	31	63,212.3	54,775.2
TOTAL EXPENSES (II)		225,218.0	202,438.8
III PROFIT BEFORE SHARE OF PROFIT OF JOINT VENTURES AND ASSOCIATES, EXCEPTIONAL ITEMS AND TAX (I-II)		26,241.7	35,319.6
IV Share of loss of joint ventures and associates (net of tax)		(116.7)	(312.5)
V PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (III+IV)		26,125.0	35,007.1
VI Exceptional items	47	-	1,279.7
VII PROFIT BEFORE TAX (V-VI)		26,125.0	33,727.4
VIII TAX EXPENSE	32		
Current tax		10,714.8	6,628.2
Deferred tax		(3,866.3)	628.1
TOTAL TAX EXPENSE (VIII)		6,848.5	7,256.3
IX PROFIT FOR THE YEAR (VII-VIII)		19,276.5	26,471.1
X OTHER COMPREHENSIVE INCOME			
(A) Items that will not be reclassified subsequently to profit or loss:			
(i) Re-measurement of defined employee benefit liability		79.4	12.1
(ii) Equity investments through other comprehensive income – net change in fair value		(65.8)	81.7
(iii) Income-tax relating to items that will not be reclassified to profit or loss		(19.5)	(34.4)
(B) Items that will be reclassified subsequently to profit or loss:			
(i) Exchange differences on translating the financial statements of foreign operations		7,361.7	2,557.1
(ii) Income-tax on items that will be reclassified subsequently to profit or loss		-	-
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX) (X)		7,355.8	2,616.5
XI TOTAL COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX) (IX+X)		26,632.3	29,087.6
Attributable to:			
Owners of the Parent Company		26,630.8	29,098.0
Non-controlling interest		1.5	(10.4)
OUT OF THE TOTAL COMPREHENSIVE INCOME ABOVE,			
Profit for the year attributable to:			
Owners of the Parent Company		19,275.0	26,481.5
Non-controlling interest		1.5	(10.4)
Other comprehensive income attributable to:			
Owners of the Parent Company		7,355.8	2,616.5
Non-controlling interest		-	-
XII EARNINGS PER EQUITY SHARE:	35		
(i) Basic (in ₹)		32.90	45.19
(ii) Diluted (in ₹)		32.90	45.19
Nominal value per equity share		1.0	1.0
Corporate information & Summary of significant accounting policies	1 & 2.3		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached.
For **Deloitte Haskins & Sells**
Chartered Accountants
ICAI Firm Registration Number: 008072S

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

C Manish Muralidhar
Partner
Membership No: 213649

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

Dr. M. Sivakumaran
Director
DIN-01284320

Santhanam Subramanian
Chief Financial Officer

B. Adi Reddy
Company Secretary
Membership No:13709

Place: Hyderabad
Date: May 27, 2023

Place: Hyderabad
Date: May 27, 2023

Consolidated Statement of Changes in Equity

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

(A) EQUITY SHARE CAPITAL (REFER NOTE 16)

	Number	Amount
As at April 1, 2021	585,938,609	585.9
Changes in equity share capital during the year	-	-
As at March 31, 2022	585,938,609	585.9
Changes in equity share capital during the year	-	-
As at March 31, 2023	585,938,609	585.9

(B) OTHER EQUITY (REFER NOTE 17)

	Attributable to the owners of the group								Attributable to non-controlling interest	Total
	Reserves and surplus				Items of other comprehensive income			Total attributable to owners of the Group		
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Exchange differences on translating the financial statements of foreign operations	Equity investments through other comprehensive income – net change in fair value			
Balance at April 1, 2022	818.9	90.0	4,178.9	8,131.6	225,189.9	6,718.8	45.8	245,173.9	(19.3)	245,154.6
Non-controlling interest in an acquired subsidiary	-	-	-	-	-	-	-	-	137.8	137.8
Profit for the year	-	-	-	-	19,275.0	-	-	19,275.0	1.5	19,276.5
Other comprehensive income (net of tax)	-	-	-	-	59.9	7,361.7	(65.8)	7,355.8	-	7,355.8
On acquisition of business (refer note 38(iii))	402.4	-	-	-	-	-	-	402.4	-	402.4
Total comprehensive income	402.4	-	-	-	19,334.9	7,361.7	(65.8)	27,033.2	139.3	27,172.5
Dividend paid	-	-	-	-	(4,394.5)	-	-	(4,394.5)	-	(4,394.5)
Balance at March 31, 2023	1,221.3	90.0	4,178.9	8,131.6	240,130.3	14,080.5	(20.0)	267,812.6	120.0	267,932.6
Balance at April 1, 2021	818.9	90.0	4,178.9	8,131.6	201,367.6	4,161.7	(35.9)	218,712.8	(8.8)	218,704.0
Profit for the year	-	-	-	-	26,481.5	-	-	26,481.5	(10.4)	26,471.1
Other comprehensive income (net of tax)	-	-	-	-	(22.3)	2,557.1	81.7	2,616.5	-	2,616.5
Others	-	-	-	-	(0.2)	-	-	(0.2)	(0.1)	(0.3)
Total comprehensive income	-	-	-	-	26,459.0	2,557.1	81.7	29,097.8	(10.5)	29,087.3
Dividend paid	-	-	-	-	(2,636.7)	-	-	(2,636.7)	-	(2,636.7)
Balance at March 31, 2022	818.9	90.0	4,178.9	8,131.6	225,189.9	6,718.8	45.8	245,173.9	(19.3)	245,154.6

As per our report of even date attached.
For **Deloitte Haskins & Sells**
Chartered Accountants
ICAI Firm Registration Number: 008072S

C Manish Muralidhar
Partner
Membership No: 213649

Place: Hyderabad
Date: May 27, 2023

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

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

Santhanam Subramanian
Chief Financial Officer

Place: Hyderabad
Date: May 27, 2023

Dr. M. Sivakumaran
Director
DIN-01284320

B. Adi Reddy
Company Secretary
Membership No:13709

Consolidated Statement of Cash Flows

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
1. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	26,125.0	33,727.4
<i>Adjustment to reconcile profit before tax to net cash flows:</i>		
Depreciation and amortisation expense	12,445.8	11,265.2
Allowance for credit losses on trade receivables and other advances(net)	524.5	(61.1)
Liabilities no longer required written back (net)	(130.1)	(137.8)
Stock written off	56.8	382.8
Mark-to-market gain on derivative financial instruments	(191.4)	(320.2)
Unrealised foreign exchange gain (net)	(381.4)	(251.8)
(Profit)/loss on sale / write-off of property, plant and equipment and intangibles under development (net)	(132.3)	1,350.2
Impairment loss/reversal on other intangible assets/intangible assets under development & Goodwill	239.6	(396.3)
Share of loss of joint ventures	116.7	312.5
Gain on sale and lease back transactions (refer note no. 47)	-	208.2
Loss on liquidation of Joint venture/subsidiary	-	26.5
Profit on sale of current investments	-	(290.8)
Finance costs	1,289.5	368.4
Interest income	(1,459.0)	(316.0)
Effect of exchange rate changes	3,486.0	1,301.5
Operating profit before working capital changes	41,989.7	47,168.7
<i>Movements in working capital:</i>		
(Increase)/decrease in inventories	(9,267.0)	14,975.2
(Increase)/decrease in trade receivables	(4,321.1)	(4,108.4)
(Increase)/decrease in other financial assets	(2,204.0)	140.8
(Increase)/decrease in other current / non current assets	(3,549.6)	(34.9)
Decrease in loans	10.4	25.5
Increase in trade payables	7,076.5	1,106.5
Increase in provisions	217.5	145.2
(Decrease)/increase in other current/non-current liabilities	(1,240.5)	5,573.1
Increase /(decrease) in other financial liabilities	2,328.0	(2,245.0)
Cash generated from operating activities	31,039.9	62,746.7
Direct taxes paid (net of refunds)	(7,172.4)	(12,581.9)
Net cash generated from operating activities	23,867.5	50,164.8
2. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including movement in capital work-in-progress, capital advances and capital creditors	(24,038.0)	(20,529.1)
Purchase of intangible assets and intangible assets under development	(3,166.0)	(6,517.3)
Proceeds from sale of property, plant and equipment and intangible assets	110.9	3,809.4
Acquisition of business (refer note 38)	(1,689.2)	(5,813.9)
Purchase of controlling interest in subsidiary (refer note 37)	(280.5)	-
Proceeds from liquidation of subsidiary	-	43.2
Proceeds from liquidation of joint venture	-	249.7
Proceeds from/(Purchase of) non-current investments in joint ventures (net)	1,053.8	(726.5)
Purchase of non-current investments	(6,769.4)	(2,999.2)
Purchase of current investments	(13,371.6)	(5,250.3)
Proceeds from sale of current investments	16,341.5	3,264.3
Proceeds from sale of non-current investments	7,173.2	1,352.2
Bank Balances not considered as cash and cash equivalents (net)	(16,608.4)	749.3
Interest received	1,466.2	252.6
Net cash used in investing activities	(39,777.5)	(32,115.6)
3. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from non-current borrowings (refer Note "c" below)	3,935.8	827.3
Repayment of non-current borrowings (refer Note "c" below)	(56.5)	-
Proceeds from/(repayment) of current borrowings (net) (refer Note "c" below)	20,696.8	(26,366.6)
Finance costs paid	(1,112.0)	(185.0)
Repayment of lease liabilities (net)	(924.7)	(1,331.4)
Dividends paid on equity shares	(4,395.3)	(2,637.0)
Net cash generated from/(used in) financing activities	18,144.1	(29,692.7)

Consolidated Statement of Cash Flows

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
Net increase/(decrease) in cash and cash equivalents (A + B + C)	2,234.1	(11,643.5)
Cash and cash equivalents at the beginning of the year	41,625.1	53,299.1
Add: Cash and cash equivalents on acquisition of subsidiaries /business (refer note 37)	64.1	(32.5)
Effect of exchange differences on cash and cash equivalents	(0.6)	2.0
Cash and cash equivalents at the end of the year	43,922.7	41,625.1

Notes:

- a) The above statement of cash flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS-7) "Statement of Cash Flows".
- b) Cash and cash equivalents comprise of:

	Year ended March 31, 2023	Year ended March 31, 2022
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash on hand	79.5	77.9
Balance with banks		
- on current account	16,311.9	34,913.4
- on cash credit account	234.7	336.6
- in money market account	1,365.3	-
- on deposit account	25,931.3	6,297.2
Cash and cash equivalents considered for cash flows (refer note 15C)	43,922.7	41,625.1

- c) Reconciliation of financial liabilities from financing activities are given below:

Particulars	As at March 31, 2022	Borrowings taken over upon business combination	Proceeds from borrowings	Repayment of borrowings	Non-cash transactions Foreign exchange loss *	As at March 31, 2023
Non-current borrowings	2,549.4	42.7	3,935.8	56.5	(160.5)	6,310.9
Current borrowings	21,178.3	16.9	20,696.8	-	372.1	42,264.1

Particulars	As at March 31, 2021	Borrowings taken over upon business combination	Proceeds from borrowings	Repayment of borrowings	Non-cash transactions Foreign exchange loss *	As at March 31, 2022
Non-current borrowings	1,684.9	-	827.3	-	37.2	2,549.4
Current borrowings	47,602.2	-	(26,366.6)	-	(57.3)	21,178.3

*Represents unrealised foreign exchange loss on translation of foreign currency denominated accounts

Refer Note 33 (A) for changes in the lease liabilities arising from financing activities.

As per our report of even date attached.

For **Deloitte Haskins & Sells**
Chartered Accountants
ICAI Firm Registration Number: 008072S

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

C Manish Muralidhar
Partner
Membership No: 213649

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

Dr. M. Sivakumaran
Director
DIN-01284320

Santhanam Subramanian
Chief Financial Officer

B. Adi Reddy
Company Secretary
Membership No:13709

Place: Hyderabad
Date: May 27, 2023

Place: Hyderabad
Date: May 27, 2023

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

1. CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of Aurobindo Pharma Limited ("APL" or "the Parent Company" or "Parent Company") together with its subsidiaries (collectively termed as "the Group" or "the Company") and joint ventures and associates (collectively termed as "the Consolidated Entities") for the year ended March 31, 2023. Aurobindo Pharma Limited is a public company domiciled in India and was incorporated under the provisions of the Companies Act, 1956 applicable in India. The registered office of the Company is located at Plot No.2, Maithrivihar, Ameerpet, Hyderabad - 500038, India and the Corporate office is located at Galaxy, Floors: 22-24, Plot No-1, Survey No.83, Hyderabad Knowledge City, Raidurg Panmaktha, Ranga Reddy District, Hyderabad - 500032, Telangana, India. The Company's shares are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The Group is principally engaged in manufacturing and marketing of active pharmaceutical ingredients, branded pharmaceuticals, generic pharmaceuticals and related services. The consolidated financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorised for issue on May 27, 2023

2.1. Basis of preparation

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the "Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

These consolidated financial statements comprise the Consolidated Balance Sheets as at March 31, 2023 and March 31, 2022, the Consolidated Statements of Profit and Loss, Statements of Changes in Equity and the Consolidated Statements of Cash Flows for the year ended March 31, 2023 and for the year ended March 31, 2022, and a summary of the significant accounting policies, notes and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements" or "Financial Statements").

These consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in these consolidated financial statements.

Current Vs. Non-Current

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Statement of cash flows

The consolidated statement of cash flows have been prepared under indirect method.

b) Functional and presentation currency

These consolidated financial statements are presented in Indian rupees (₹), which is also the functional currency of the Parent Company. All amounts have been rounded-off to the nearest million, unless otherwise indicated. Transactions and balances with values below ₹0.1 million have been reflected as "0.0" in the consolidated financial statements.

c) Basis of measurement

The consolidated financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following;

- certain financial assets and liabilities (including derivative instruments) are measured at fair value or amortised cost.
- employee defined benefit assets / liability recognised as the net total of the fair value of plan assets, and actuarial losses/gains, and the present value of defined benefit obligation.
- Investment in joint ventures and associates which are accounted for using the equity method.

d) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 33 (A) - leases: whether an arrangement contains a lease; lease classification.
- Note 34 - contingent liabilities: Measurement and likelihood of occurrence of provisions and contingencies.
- Note 2.3(q) and 43: Financial instruments
- Note 2.3(j), 11, 12 and 32: Provision for income taxes, related tax contingencies and evaluation of recoverability of deferred tax assets.
- Note 2.3(d), 2.3(e): Useful lives of property, plant and equipment and intangible assets
- Note 36: Assets and obligations relating to employee benefits

Assumptions and estimation uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Defined employee benefit plans (Gratuity)

The company operates a defined benefit gratuity plan which requires contribution to be made to a separately administered fund. The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future.

These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 36.

(ii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 43 for further disclosures.

(iii) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on a straight-line basis based on the useful lives estimated by the management. The Group, based on technical assessment and management estimate, depreciates property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that useful lives currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment and intangible assets though these in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(iv) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

(v) Impairment of investments, associates and joint ventures

The Group reviews its carrying value of investments annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

(vi) Intangible assets under development

The Group capitalises acquired intangible asset under development for a project in accordance with the accounting policy. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. The innovative nature of the product gives rise to some uncertainty as to whether the final approval for the products will be obtained.

(vii) Inventories

The Group estimates the net realisable value (NRV) of its inventories by taking into account their estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence by applying certain percentages over different age category of such inventories, expected loss rate considering the past trend and future outlook. Inventories are written down to NRV where such NRV is lower than their cost.

(viii) Recognition and measurement of other provisions:

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

2.2. Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the Acquisition method. The acquisition date is the date on which control is transferred to the acquirer. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.



Notes to Consolidated Financial Statements

for the year ended March 31, 2023

The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are at fair value on the acquisition date. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at fair values on the acquisition date irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

- Assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

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

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on March 31.

(ii) Consolidation procedures:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Loss of control

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the Parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

(iii) Investment in joint ventures and associates (accounted under equity method)

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining whether joint control are similar to those necessary to determine control over the subsidiaries.

Associates are those entities over which the group has significant influence. Significant influence is the power to participate in the financial and operational policy decisions of the entities but is not controlled or joint controlled of those policies.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, the investment in a joint venture or associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture or associate since the acquisition date.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of the joint venture and associates. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes,

Notes to Consolidated Financial Statements

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when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

If an entity's share of losses of a joint venture and associates equals or exceeds its interest in the joint venture and associates (which includes any long term interest that, in substance, form part of the Group's net investment in the joint venture and associates), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture and associates. If the joint venture or associates subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of a joint venture and associates is shown on the face of the consolidated statement of profit and loss. The financial

statements of the joint ventures and associates are prepared for the same reporting period as the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint ventures and associates. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint ventures or associates are impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and associates and its carrying value, and then recognises the loss as 'Share of profit of a joint venture and associates' in the consolidated statement of profit or loss.

Upon loss of joint control over the joint venture or associates, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture and associates upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of profit or loss.

Group information:

The Consolidated Financial Statements have been prepared on the basis of the financial statements of the following subsidiaries and joint ventures:

S. No.	Name of the Consolidated Entities	Country of Incorporation	Nature of Interest	% of equity interest as at	
				March 31, 2023	March 31, 2022
1	Agile Pharma B.V.	The Netherlands	Subsidiary	100%	100%
2	All Pharma (Shanghai) Trading Company Limited	China	Subsidiary	100%	100%
3	APL Healthcare Limited	India	Subsidiary	100%	100%
4	APL Pharma Thai Limited	Thailand	Subsidiary	97.9%	97.9%
5	Auroactive Pharma Private Limited	India	Subsidiary	100%	100%
6	APL Swift Services (Malta) Limited	Malta	Subsidiary	100%	100%
7	Arrow Generiques SAS	France	Subsidiary	100%	100%
8	Aurex B.V. (formerly Pharmacin B.V.)	The Netherlands	Subsidiary	100%	100%
9	Auro AR LLC	USA	Subsidiary	100%	100%
10	Auro Health LLC	USA	Subsidiary	100%	100%
11	Eugia US LLC (formerly Auromedics Pharma LLC), U.S.A.	USA	Subsidiary	100%	100%
12	Auro Peptides Limited	India	Subsidiary	95%	95%
13	Auro Pharma Inc.	Canada	Subsidiary	100%	100%
14	Auro Vaccines LLC	USA	Subsidiary	100%	100%
15	Raidurgam Developers Limited (formerly Aurobindo Antibiotics Ltd)	India	Joint Venture	40%	40%
16	Luoxin Aurovitas Pharma (Chengdu) Co., Ltd	China	Joint Venture	30%	30%
17	Longxiang Pharma Taizhou Co., Ltd ⁶	China	Joint Venture	-	-
18	Novagen BBBEE Invest Co (Pty) Ltd	South Africa	Joint Venture	24.5%	24.5%
19	Aurobindo Pharma (Italia) S.r.l	Italy	Subsidiary	100%	100%
20	Aurobindo Pharma (Malta) Limited	Malta	Subsidiary	100%	100%
21	Aurobindo Pharma (Pty) Limited	South Africa	Subsidiary	100%	100%
22	Aurobindo Pharma (Romania) S.r.l	Romania	Subsidiary	100%	100%
23	Aurobindo Pharma B.V. (formerly Actavis B.V.)	The Netherlands	Subsidiary	100%	100%
24	Aurobindo Pharma Colombia S.A.S.	Colombia	Subsidiary	100%	100%

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S. No.	Name of the Consolidated Entities	Country of Incorporation	Nature of Interest	% of equity interest as at	
				March 31, 2023	March 31, 2022
25	Aurobindo Pharma GmbH ¹	Germany	Subsidiary	-	-
26	Aurobindo Pharma Industria Farmaceutica Ltda	Brazil	Subsidiary	99.97%	99.97%
27	Aurobindo Pharma Japan K.K.	Japan	Subsidiary	100%	100%
28	Aurobindo Pharma Produtos Farmaceuticos Limitada	Brazil	Subsidiary	100%	100%
29	Aurobindo Pharma USA Inc.	USA	Subsidiary	100%	100%
30	Aurogen South Africa (Pty) Ltd	South Africa	Subsidiary	100%	100%
31	Aurolife Pharma LLC	USA	Subsidiary	100%	100%
32	Auronext Pharma Private Limited	India	Subsidiary	100%	100%
33	Aurovida Farmaceutica SA DE CV	Mexico	Subsidiary	100%	100%
34	Aurovitas Pharma Polska	Poland	Subsidiary	100%	100%
35	Aurovitas Spain SA (formerly Actavis Spain S.A.)	Spain	Subsidiary	100%	100%
36	Eugia Pharma Specialities Limited	India	Subsidiary	100%	100%
37	Helix Healthcare B.V.	The Netherlands	Subsidiary	100%	100%
38	Laboratorios Aurobindo, S.L.	Spain	Subsidiary	100%	100%
39	Milpharm Limited	UK	Subsidiary	100%	100%
40	Novagen Pharma (Pty) Limited	South Africa	Joint Venture	50%	50%
41	Pharmacin B.V. (formerly Aurex B.V.)	The Netherlands	Subsidiary	100%	100%
42	Puren Pharma GmbH & Co., KG (formerly Actavis Deutschland GmbH & Co., KG)	Germany	Subsidiary	100%	100%
43	Tergene Biotech Limited (formerly Tergene Biotech Pvt. Ltd)	India	Joint Venture	80%	80%
44	1980 Puren Pharma GmbH (formerly Actavis Management GmbH)	Germany	Subsidiary	100%	100%
45	Generis Farmaceutica S.A.	Portugal	Subsidiary	100%	100%
46	Generis Phar, Unipessoal Lda	Portugal	Subsidiary	100%	100%
47	Auro Packaging LLC	USA	Subsidiary	100%	100%
48	Aurobindo NV/SA	Belgium	Subsidiary	100%	100%
49	Aurobindo Pharma Saudi Arabia Limited Company	Saudi Arabia	Subsidiary	100%	100%
50	Aurovitas Pharma (Taizhou) Ltd	China	Subsidiary	100%	100%
51	Auro Logistics LLC	USA	Subsidiary	100%	100%
52	Acrotech Biopharma Inc. (formerly Acrotech Biopharma LLC)	USA	Subsidiary	100%	100%
53	Apitoria Pharma Private limited (formerly Auro Pharma India Private Limited)	India	Subsidiary	100%	100%
54	Purple Bellflower (Pty) Ltd	South Africa	Joint Venture	48%	48%
55	Aurobindo Pharma FZ LLC	UAE	Subsidiary	100%	100%
56	CurateQ Biologics GmbH ⁵	Switzerland	Subsidiary	-	-
57	AuroScience (pty) Ltd	Australia	Subsidiary	100%	100%
58	Auro Science LLC	USA	Subsidiary	100%	100%
59	Apotex Europe B.V.	The Netherlands	Subsidiary	100%	100%
60	Aurovitas Spol s.r.o (formerly Apotex (CR) Spol s.r.o.)	Czech Republic	Subsidiary	100%	100%
61	Aurovitas Nederland B.V (formerly Apotex Nederland B.V.)	The Netherlands	Subsidiary	100%	100%
62	Sameko Farma B.V.	The Netherlands	Subsidiary	100%	100%
63	Leidapharm B.V.	The Netherlands	Subsidiary	100%	100%
64	Marel B.V.	The Netherlands	Subsidiary	100%	100%
65	Pharma Dossier B.V.	The Netherlands	Subsidiary	100%	100%
66	CuraTeQ Biologics Private Limited	India	Subsidiary	100%	100%
67	Eugia Steriles Private Limited (formerly Auro Cure Private Limited)	India	Subsidiary	100%	100%
68	AuroZest Private Limited	India	Subsidiary	100%	100%
69	Aurobindo Antibiotics Private Limited	India	Subsidiary	100%	100%

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S. No.	Name of the Consolidated Entities	Country of Incorporation	Nature of Interest	% of equity interest as at	
				March 31, 2023	March 31, 2022
70	Mviyes Pharma Ventures Private Limited	India	Subsidiary	100%	100%
71	Lyfius Pharma Private Limited	India	Subsidiary	100%	100%
72	Qule Pharma Private Limited	India	Subsidiary	100%	100%
73	Eugia SEZ Private Limited (formerly Wytells Pharma Private Limited)	India	Subsidiary	100%	100%
74	CuraTeQ Biologics s.r.o. ³	Czech Republic	Subsidiary	100%	100%
75	Eugia Pharma B.V. ³	The Netherlands	Subsidiary	100%	100%
76	Eugia Pharma (Malta) Limited, Malta ³	Malta	Subsidiary	100%	100%
77	Eugia (UK) Limited ³	UK	Subsidiary	100%	100%
78	Aurosalud SA De CV ³	Mexico	Subsidiary	100%	100%
79	Auro PR Inc ³	Puerto Rico	Subsidiary	100%	100%
80	Eugia Pharma INC, Canada ³	Canada	Subsidiary	100%	100%
81	Eugia Pharma (Australia) PTY Limited ³	Australia	Subsidiary	100%	100%
82	Eugia Pharma Industria Farmaceutica Limitada ³	Brazil	Subsidiary	100%	100%
83	Auro PR I LLC (formerly Mylan LLC) ^{3 & 2}	Puerto Rico	Subsidiary	-	100%
84	Aurobindo Pharma Ukraine LLC ³	Ukraine	Subsidiary	100%	100%
85	Eugia Pharma Colombia S.A.S. ³	Colombia	Subsidiary	100%	100%
86	PT Aurogen Pharma Indonesia (w.e.f. July 1, 2022) ⁴	Indonesia	Subsidiary	100%	-
87	Auro Steriles LLC ^{3 & 7}	USA	Subsidiary	-	100%
88	Vespyr Brands, Inc (formerly Nurya Brands Inc) ³	USA	Subsidiary	100%	100%
89	Eugia US Manufacturing LLC ³	USA	Subsidiary	100%	100%
90	Eugia Injectable Inc ^{3 & 8}	USA	Subsidiary	100%	100%
91	Eugia Inc ³	USA	Subsidiary	100%	100%
92	Auro vaccines Private Limited ³	India	Subsidiary	100%	100%
93	GLS Pharma Limited (w.e.f. August 17, 2022) ⁴	India	Subsidiary	51%	-
94	TheraNyM Biologics Private Limited (w.e.f. September 22, 2022) ⁴	India	Subsidiary	100%	-
95	NVNR (Ramannapet I) Power Plant Private Limited	India	Associates	26%	26%
96	NVNR (Ramannapet II) Power Plant Private Limited	India	Associates	26%	26%

Notes:

1. Merged with Puren Pharma GmbH & Co., KG w.e.f October 1, 2021.
2. Merged with Auro PR Inc w.e.f. May 22, 2022.
3. Incorporated / Acquired during the financial year 2021-22.
4. Incorporated / Acquired during the financial year 2022-23.
5. Liquidated w.e.f. October 7, 2021.
6. Liquidated w.e.f. August 31, 2021.
7. Closed w.e.f. September 30, 2022.
8. Closed w.e.f. April 26, 2022.

The figures for the subsidiaries have been considered from the date of acquisition/incorporation/and up to the date of disposal/liquidation as applicable.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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2.3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a. Foreign exchange transactions

The Group's consolidated financial statements are presented in Indian rupees, which is the functional currency of the Parent Company and the currency of primary economic environment in which the company operates.

Initial recognition

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

Conversion

Foreign currency monetary items are reported at functional currency spot rate of exchange at reporting date. 'Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

Foreign operations

For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method. On consolidation, the assets and liabilities of foreign operations are translated into Indian rupees at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The Group uses an average rate to translate income and expense items. The exchange differences arising on translation for

consolidation are recognised in Other Comprehensive Income (OCI) and presented with in equity as part of Foreign currency translation reserve (FCTR). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill / capital reserve arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

b. Fair value measurement

The consolidated financial statements have been prepared on the historical cost basis, except for:

- (i) Certain financial instruments that are measured at fair values at the end of each reporting period;
- (ii) Non-current assets classified as held for sale which are measured at the lower of their carrying amount and fair value less costs to sell;
- (iii) Derivative financial instrument and
- (iv) Defined benefit plans – plan assets that are measured at fair values at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group .

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.

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

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

- Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

The company determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Group uses market observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. Any change in the fair value of each asset and liability is also compared with relevant external sources to determine whether the change is reasonable.

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

c. Revenue recognition

The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised:

- Sale of goods:** Revenue from sale of goods is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. Revenue from the sale of goods is measured at the transaction price which is the consideration received or receivable, net of returns, taxes and applicable trade discounts and allowances. Revenue includes shipping and handling costs billed to the customer. In arriving at the transaction price, the Company considers the terms of the contract with the customers and its customary business practices. The transaction price is the amount of consideration the Company is entitled to receive in exchange for transferring promised goods or services, excluding amounts collected on behalf of third parties. The amount of consideration varies because of estimated rebates, returns and chargebacks, which are considered to be key estimates. Any amount of variable consideration is recognised as revenue only to the extent that it is highly probable that a significant reversal will not occur. The Company estimates the amount of variable consideration using the expected value method. Invoices are payable within contractually agreed credit period. Any additional amounts based on terms of agreement entered into with customers, is recognised in the period when the collectability becomes probable and a reliable measure of the same is available.

Profit Sharing Revenues: The Company from time to time enters into arrangements for the sale of its products in certain markets. Under such arrangements, the Company sells its products to the business partners at a base purchase price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base purchase price. The profit share is typically dependent on the ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement. Revenue in an amount equal to the base purchase price is recognised in these transactions upon delivery of products to the business partners. An additional amount representing the profit share component is recognised as revenue only to the extent that it is highly probable that a significant reversal will not occur.

Notes to Consolidated Financial Statements

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Provision for chargeback, rebates and discounts : Provisions for chargeback, rebates, discounts and Medicaid payments are estimated and provided for in the year of sales and recorded as reduction of revenue. A chargeback claim is a claim made by the wholesaler for the difference between the price at which the product is initially invoiced to the wholesaler and the net price at which it is agreed to be procured from the Company. Provisions for such chargebacks are accrued and estimated based on historical average chargeback rate actually claimed over a period of time, current contract prices with wholesalers/other customers and estimated inventory holding by the wholesalers/other customers.

Shelf stock adjustments : Shelf stock adjustments are credits issued to customers to reflect decreases in the selling price of products sold by the Company, and are accrued when the prices of certain products decline as a result of increased competition or otherwise. These credits are customary in the pharmaceutical industry, and are intended to reduce the customer inventory cost to better reflect the current market prices. The determination to grant a shelf stock adjustment to a customer is based on the terms of the applicable contract, which may or may not specifically limit the age of the stock on which a credit would be offered.

Out-licensing arrangements: Revenues include amounts derived from product out-licensing agreements. These arrangements typically consist of an initial up-front payment on inception of the license and subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. Non-refundable up-front license fees received in connection with product out-licensing agreements are deferred and recognised over the period in which the Company has continuing performance obligations. Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, if the milestones are considered substantive, or over the period the Company has continuing performance obligations, if the milestones are not considered substantive. If milestone payments are creditable against future royalty payments, the milestones are deferred and released over the period in which the royalties are anticipated to be received.

- Rendering of services:** Revenue from services rendered is recognised in the profit or loss as the underlying services are performed. Upfront non-refundable payments received are deferred

and recognised as revenue over the expected period over which the related services are expected to be performed.

iii) Contract balances

Contract assets: Contract assets are recognised when there are excess of revenues earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Dividend and interest income

- Interest income:** Interest income is recognised with reference to the Effective Interest Rate (EIR) method.

The 'effective interest rate' is the rate that discounts estimated future cash payments or receipts through expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability

- Dividend income:** Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

d. Property, plant and equipment

Freehold land and buildings (property) and other plant and equipment held for use in the production or supply of goods or services, or administrative purposes are stated at cost less accumulated depreciation and accumulated impairment.

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful life. Likewise, when a major inspection



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is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any costs directly attributable to bringing the asset to the location and condition necessary for its intended use.

Subsequent expenditure is capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Assets in the course of construction (Capital work in progress) for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. 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.

Pre-operative expenditure comprising of revenue expenses incurred in connection with project implementation during the period up to commencement of commercial production are treated as part of the project costs and are capitalized.

Depreciation is provided on the straight-line method, based on the useful life of the assets as estimated by the Management.

The Group, based on technical assessment and management estimate, depreciates property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The Group has estimated the following useful life to provide depreciation on its property, plant and equipment:

Freehold land is not depreciated

Nature of the assets	Useful life as estimated by the management (in years)
Leasehold land	10
Leasehold buildings	20
Freehold land - development expenditure	25
Freehold buildings	5 - 60
Plant and equipment	3 - 20
Furniture and fixtures	5 - 10
Vehicles	4 - 8
Office equipment	3 - 10

Schedule II to the Companies Act, 2013 ("Schedule") prescribes the useful lives for various classes of tangible assets. For certain class of assets, based on the technical evaluation and assessment, the Group believes that the useful lives adopted by it best represent the period over which an asset is expected to be available for use. Accordingly, for these assets, the useful lives estimated by the group are different from those prescribed in the Schedule

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial period/year end and adjusted prospectively, if appropriate.

e. Goodwill and other Intangible assets

Goodwill

Goodwill represents the excess of purchase consideration over the net book value of assets acquired of the subsidiary companies as on the date of investment. Goodwill on consolidation and acquisition is not amortised but is tested for impairment on a periodic basis and impairment losses are recognised where applicable.

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Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

The management has estimated following useful life to amortise intangible assets.

Nature of the assets	Useful life as estimated by the management (in years)
Product development cost	10
Licenses and patents	5 - 10
Trademarks	5 - 10
Brands	10-15

Derecognition of intangible assets

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

Research and development costs:

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised as an expense when incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes.

Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and use or sell the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

The expenditure to be capitalised include the cost of materials and other costs directly attributable to preparing the assets for its intended use. Other development expenditure are recognised as an expense in the consolidated statement of profit and loss.

Separate acquisition of intangible assets

Payments to third parties that generally take the form of up-front payments and milestones for in-licensed products, compounds and intellectual property are capitalised since the probability of expected future economic benefits criterion is always considered to be satisfied for separately acquired intangible assets.

Intangible assets under development :

Acquired research and development intangible assets that are under development are recognised as Intangible assets under development. These assets are not amortised, but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Any impairment is recognised as an expense in the statement of profit and loss. Intangible assets relating to products under development, other intangible assets not available for use and intangible assets having indefinite useful life are tested for impairment annually, or more frequently when there is an indication that the assets may be impaired. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable.

The consideration for acquisition of intangible asset which is based on reaching specific milestone that are dependent on the Company's future activity is recognised only when the activity requiring the payment is performed.

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Subsequent expenditure on in process research and development project acquired separately and recognised as an intangible asset is:

- recognised as an expense, if it is research expenditure.
- recognised as an expense, if its development expenditure that does not satisfy the criteria for recognition as an Intangible asset; and
- added to the carrying amount of acquired in process research and development project, only when it increases the future economic benefits embodied in the specific asset to which it relates and satisfies the recognition criteria

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the estimated useful lives of the assets or any other basis that reflect the period of expected future benefit. Amortisation expense is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset. The amortisation period and method are reviewed at each reporting date.

Intangible assets relating to products in development and other intangible assets not available for use is tested for impairment annually. The same are derecognised either on disposal or when no future economic benefits are expected. Losses on derecognition are recorded in the consolidated statement of profit and loss, and are measured as difference between the net disposal proceeds and the carrying amount of respective assets.

f. Government grants and subsidies

Government grants are recognised when there is reasonable assurance that all attached conditions will be complied with and there is no uncertainty on collection. When the grant relates to an expense item, it is recognised in the statement of profit and loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as deferred income and amortised over the useful life of such assets. Entitlement from government authorities are recognised in the profit or loss as other operating revenue when the right to receive is established as per the terms of the scheme with no future related cost and where there is no significant uncertainty regarding the ultimate collection of the relevant proceeds.

g. Inventories

Inventories are valued at lower of cost, calculated on "Weighted average" basis and net realisable value. Cost incurred in bringing each product to its present location and condition are accounted as follows:

Raw materials, packing materials, stores, spares and consumables: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Finished goods and work-in-progress: Cost includes direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity, but excludes borrowing costs.

Stock in trade: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

h. Retirement and other employee benefits

Defined contribution plans

Contribution to funds such as provident fund and Employee State insurance Corporation (ESIC) are defined contribution plans. The Group has no obligation, other than the contribution payable to these funds. The Group recognizes contribution payable to the fund schemes as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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The Group's contribution towards defined contribution benefit plan is accrued in compliance with the requirements of the domestic laws of the countries in which the consolidated entities operate in the year of which the contributions are due.

Defined benefit plan

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation using projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Consolidated balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to consolidated profit or loss in subsequent periods.

Past service costs are recognised in consolidated profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Consolidated Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated absences

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses

are immediately taken to the consolidated statement of profit and loss and are not deferred.

The Group's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value.

i. Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). The Management has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment terms are offered. (Refer note 43 (c) (i))

j. Income taxes

Income tax expense comprises of current and deferred tax. Current income tax assets and liabilities is measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity respectively. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Deferred tax is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except :-

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.



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Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:-

- (i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- (ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period/year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside Consolidated profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

For operations carried out in SEZs, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Minimum Alternate Tax

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

Accruals for uncertain tax positions are measured using either the most likely amount or the expected value amount depending on which method the entity expects to better predict the resolution of the uncertainty. Tax benefits are not recognised unless the management based upon its interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter concludes that such benefits will be accepted by the authorities. Once considered probable of not being accepted, management reviews each material tax benefit and reflects the effect of the uncertainty in determining the related taxable amounts.

k. Leases

The Group assesses at contract inception if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

Assets acquired under leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

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Where the Group are lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Right of use asset

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using useful life of right-of-use asset. The estimated useful lives of Right-of-use assets are determined on the same basis as those of property, plant and equipment and underlying lease period. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Lease Liabilities

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying

amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of consolidated profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in consolidated statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Where the Group are lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

l. Earnings per share

Basic earnings per share is calculated by dividing the net consolidated profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of shares outstanding during the year is adjusted for events such as bonus issue that have changed the number of shares outstanding, without a corresponding change in resources.



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For the purpose of calculating diluted earnings per share, the net consolidated profit for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

m. Provision and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit and loss net of any reimbursement.

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

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

Contingencies

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably. Contingent liabilities are recognised when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

n. Cash and cash equivalents

Cash and cash equivalent in the consolidated balance sheet comprise cheques, cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Groups cash management.

o. Borrowing cost

Borrowing 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. Borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes substantial period of time to get ready for its intended use or sale or capitalised as part of cost of the asset. All other borrowing costs are expensed in the period in which they occur.

p. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. Impairment losses of continuing operations, are recognised in the consolidated statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods/ years. Such reversal is recognised in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

q. Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets excluding trade receivables are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

Debt instruments at FVTOCI

A 'debt instrument' is classified at the FVTOCI (Fair value through other comprehensive income) if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the consolidated statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to consolidated statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instruments at Amortised cost

For purposes of subsequent measurement, a 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The 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 (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the consolidated profit or loss. The losses arising from impairment are recognised in the consolidated profit or loss. This category generally applies to trade and other receivables.

Debt instruments at FVTPL

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Any debt instrument, which does not meet the criteria for categorization at amortized cost or at FVTOCI, is classified at FVTPL (fair value through profit and loss). In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the consolidated statement of profit and loss.

Equity investments:

All equity investments in scope of Ind AS 109 - Financial Instruments are measured at fair value. Equity investments which are held for trading are classified as FVTPL. For all other equity investments, the Group may make an irrevocable election to present in OCI subsequent changes in fair value. The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in OCI. There is no recycling of amounts from OCI to Consolidated Profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain/loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the consolidated profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group Consolidated balance sheet) when:

- (i) the rights to receive cash flows from the asset have expired, or
- (ii) the Group has transferred its rights to receive cash flows from the asset, and the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of trade receivables and other financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- (i) Financial assets that are debt instruments, and are measured at amortised cost, e.g. loans, deposits, debt securities, etc.
- (ii) Trade receivables that result from transactions that are within the scope of Ind AS 115 - Revenue Recognition.

The Group follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on

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12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Consolidated statement of profit and loss. This amount is reflected under the head other expenses / other income in the consolidated statement of profit and loss. ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Consolidated balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis. The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently

transferred to consolidated statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Consolidated statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Derecognition

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

Financial liabilities at amortised cost (Loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in consolidated profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

The Group enters into supplier credit arrangements (acceptances) whereby lenders such as banks and financial institutions make payments to supplier's banks for import of raw materials. The banks and financial institutions are subsequently repaid by the Group at a later date. These arrangements are in the nature of credit extended in normal operating cycle and these arrangements for raw materials are recognised as Acceptances under other financial liabilities. Interest borne by the Group on such arrangements is accounted as finance costs.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or

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internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in consolidated statement of profit and loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to consolidated statement of profit and loss at the reclassification date.

Offsetting of financial instruments

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

Concentration of credit risk : Financial instruments that potentially subject the Company to credit risk consist principally of interest-bearing investments, derivatives and accounts receivables. One of the subsidiary periodically invests its excess cash in high-quality, liquid money market instruments, principally overnight deposits and highly rated money market funds. The Company maintains deposit balances at certain financial institutions in excess of federally insured amounts. Periodically, the Company reviews the creditworthiness of its counterparties to derivative transactions, and it does not expect to incur a loss from failure of any counterparties to perform under agreements it has with such counterparties.

r. Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The forward contracts that meet the definition of a derivative under Ind AS 109 are recognised in the consolidated statement of profit and loss. Any gains or losses arising from changes in the fair value of derivatives are taken directly to consolidated profit or loss.

s. Dividend distribution to equity holders of the Company

The Group recognises a liability to make cash and non cash distribution to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Corporate laws in India, a final dividend distribution is authorised when it is approved by the shareholders whereas for interim dividend when authorised by board. A corresponding amount is recognised directly in equity. Non cash distribution are measured at fair value of the assets distributed with fair value re-measurement recognised directly in equity.

t. Non-current assets held for sale

The Group classifies non-current assets and disposal Groups as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

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For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale/ distribution classification is regarded met only when the assets or disposal Group is available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal Groups), its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale/ distribution of the asset or disposal Group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal Group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal Group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Assets held for sale are presented separately in the balance sheet. Property Plant and Equipment and Intangible Assets once classified as held for sale are not depreciated or amortised.

u. Share based payments

Cash settled share-based payment transactions : The fair value of the amount payable to employees in respect of share-based payment transactions which are settled in cash is recognised as an expense, with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is re-measured at each reporting date and at the settlement date based on the fair value of the share-based payment transaction. Any changes in the liability are recognised in the statement of profit and loss.

v. Recent accounting pronouncements

Recent pronouncements Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 21, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015, applicable from April 1, 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 has evaluated and the amendment and there is no impact on 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.

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for the year ended March 31, 2023

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3(A). PROPERTY, PLANT AND EQUIPMENT

	Leasehold Land	Freehold Land	Leasehold Buildings & improvements	Freehold Buildings	Plant & Equipment	Furniture & fixtures	Vehicles	Office Equipment	Total
Gross Carrying value (at cost)									
As at April 1, 2021	-	2,860.1	552.4	23,624.4	64,443.6	1,861.6	335.0	902.3	94,579.4
Additions	-	3,521.2	13.8	3,131.2	8,645.5	556.5	68.3	228.4	16,164.9
Disposals / adjustments	(53.1)	(62.3)	221.7	1,675.7	328.3	(3.5)	38.1	21.2	2,166.1
Other adjustments	-	21.7	(9.7)	230.4	140.7	4.2	0.7	5.8	393.8
- Foreign currency translation adjustments	-	21.7	(9.7)	230.4	140.7	4.2	0.7	5.8	393.8
As at March 31, 2022	53.1	6,465.3	334.8	25,310.3	72,901.5	2,425.8	365.9	1,115.3	108,972.0
Additions	-	304.1	6.1	1,487.6	6,369.9	208.3	126.1	269.5	8,771.6
Disposals / adjustments	-	39.8	(48.8)	23.4	705.2	(18.2)	65.1	(226.4)	540.1
Acquisition through business combination (refer note 37 & 38(i) & (iii))*	-	1,388.7	-	4,817.2	4,374.2	8.8	-	11.7	10,600.6
Other adjustments	-	-	-	-	-	-	-	-	-
- Foreign currency translation adjustments	10.6	121.0	21.2	561.1	602.9	15.3	(0.3)	39.2	1,371.0
As at March 31, 2023	63.7	8,239.3	410.9	32,152.8	83,543.3	2,676.4	426.6	1,662.1	129,175.1
Accumulated depreciation									
As at April 1, 2021	-	0.1	42.1	3,638.3	24,580.1	833.2	172.4	581.5	29,847.7
Charge for the year	-	-	8.8	909.7	5,850.4	214.7	65.6	147.1	7,196.3
Disposals / adjustments	-	-	(0.2)	338.2	52.8	(10.7)	22.7	2.6	405.4
Other adjustments	-	-	(0.9)	37.6	85.5	3.5	0.6	2.9	129.2
- Foreign currency translation adjustments	-	-	(0.9)	37.6	85.5	3.5	0.6	2.9	129.2
As at March 31, 2022	-	0.1	50.2	4,247.4	30,463.2	1,062.1	215.9	728.9	36,767.8
Charge for the year	-	-	10.6	993.4	6,097.1	230.6	76.3	193.9	7,601.9
Disposals / adjustments	-	-	(41.4)	14.0	372.5	(19.2)	54.0	(107.0)	272.9
Acquisition through business combination (refer note 37 & 38(i) & (iii))*	-	-	-	4,798.4	4,312.0	7.1	-	10.0	9,127.5
Other adjustments	-	-	-	-	-	-	-	-	-
- Foreign currency translation adjustments	-	-	3.9	99.9	371.5	11.8	0.1	29.9	517.1
As at March 31, 2023	-	0.1	106.1	10,125.1	40,871.3	1,330.8	238.3	1,069.7	53,741.4
Net carrying value									
As at March 31, 2022	53.1	6,465.2	284.6	21,062.9	42,438.3	1,363.7	150.0	386.4	72,204.2
As at March 31, 2023	63.7	8,239.2	304.8	22,027.7	42,672.0	1,345.6	188.3	592.4	75,433.7

1. The title deeds of land and buildings aggregating gross value of ₹629.1 (March 31, 2022: ₹591.8) are pending transfer to the Company's name

2. Depreciation for the year include ₹6.2 (March 31, 2022: ₹0.6) taken as capital expenditure on projects pending capitalisation.

3. Details of Right-of-use assets - refer note 33 (A).

4. Refer note 40 for details of capital research and development expenditure.

5. Refer Note 18 for charge on property, plant and equipment.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

3(B). CAPITAL WORK-IN-PROGRESS

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	29,375.6	24,288.9
Additions during the year	22,548.0	18,743.8
Capitalisations	(7,934.4)	(13,185.5)
Written off	-	(25.4)
Provision for Impairment	-	(950.0)
Disposals / Other Adjustment	(35.7)	-
Foreign currency translation adjustments	1,010.5	503.8
	44,964.0	29,375.6

- Capital work in progress as at March 31, 2023 comprises expenditure for the plant in the course of construction and general replacements.
- Refer note 48 for ageing of Capital work-in-progress
- Refer note 18 for charge on Capital work-in-progress

Capital work-in-progress includes expenditure during construction period pending capitalisation:

	As at March 31, 2023	As at March 31, 2022
Balance brought forward	4,093.3	2,405.2
Add: Incurred during the year		
Salaries, wages and bonus	1,204.1	459.5
Contribution to provident and other funds	9.3	10.4
Staff welfare expenses	29.7	1.0
Cost of materials consumed	2.6	4.6
Consumption of material for testing	36.5	16.8
Consumption of stores and spares	141.4	76.1
Chemicals consumed	44.9	102.4
Power and fuel	398.6	287.5
Carriage inward	31.6	1.4
Conversion charges	-	5.7
Rates and taxes	66.9	35.3
Printing and stationery	8.7	4.0
Postage, telegram and telephones	1.9	4.3
Insurance	10.0	7.8
Legal and professional charges	139.5	60.1
Travelling and conveyance	20.8	10.4
Analytical charges	13.1	34.1
Depreciation	74.6	133.1
Factory maintenance	178.0	61.7
Software license and implementation expenses	7.0	6.6
Other miscellaneous expenses	338.5	418.6
	6,851.0	4,146.6
Less: Capitalised to property, plant and equipment during the year	-	53.3
Closing balance	6,851.0	4,093.3



Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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4. RIGHT-OF-USE ASSETS

	Land	Building	Machinery	Vehicles	Total
Gross Carrying value (at cost)					
As at April 1, 2021	763.5	2,354.3	1,707.2	918.9	5,743.9
Additions	648.6	470.0	676.6	256.6	2,051.8
Disposals / adjustments	141.9	89.8	459.7	214.5	905.9
Other adjustments					
- Foreign Currency Translation Adjustments	23.2	31.3	62.0	(13.7)	102.8
As at March 31, 2022	1,293.4	2,765.8	1,986.1	947.3	6,992.6
Additions	14.0	728.5	-	392.5	1,135.0
Disposals / adjustments	76.8	285.1	1,369.2	410.5	2,141.6
Acquisition through business combination (refer note 37)	-	0.6	-	-	0.6
Other adjustments					
- Foreign Currency Translation Adjustments	11.6	146.9	167.1	60.0	385.6
As at March 31, 2023	1,242.2	3,356.7	784.0	989.3	6,372.2
Accumulated depreciation					
As at April 1, 2021	66.4	431.3	780.5	331.2	1,609.4
Charge for the year	50.7	388.1	211.1	242.7	892.6
Disposals / adjustments	9.3	89.8	345.3	167.3	611.7
Other adjustments					
- Foreign Currency Translation Adjustments	1.5	-	31.9	(11.2)	22.2
As at March 31, 2022	109.3	729.6	678.2	395.4	1,912.5
Charge for the year	46.3	457.1	181.0	210.8	895.2
Disposals / adjustments	-	281.5	537.1	285.3	1,103.9
Acquisition through business combination (refer note 37)	-	-	-	-	-
Other adjustments					
- Foreign Currency Translation Adjustments	1.8	43.8	61.6	41.1	148.3
As at March 31, 2023	157.4	949.0	383.7	362.0	1,852.1
Net carrying value					
As at March 31, 2022	1,184.1	2,036.2	1,307.9	551.9	5,080.1
As at March 31, 2023	1,084.8	2,407.7	400.3	627.3	4,520.1

Depreciation for the year include ₹158.0 (March 31, 2022 : ₹109.7) transferred to capital work in progress

5. GOODWILL

	Amount
Gross Carrying value (at cost)	
As at April 1, 2021	8,546.0
Additions	-
Disposals / adjustments	89.2
Acquisition through business combination (refer note 37 & 38)	544.8
Other adjustments	
- Foreign currency translation adjustments	(62.1)
As at March 31, 2022	8,939.5
Additions	-
Disposals / adjustments	-
Acquisition through business combination (refer note 37 & 38)	1,149.5
Other adjustments	
- Foreign currency translation adjustments	372.6
As at March 31, 2023	10,461.6

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for the year ended March 31, 2023

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	Amount
Accumulated Amortisation	
As at April 1, 2021	4,257.0
Charge for the year (refer 47)	-
Disposals / adjustments	-
Other adjustments	
- Foreign currency translation adjustments	(71.7)
As at March 31, 2022	4,185.3
Charge for the year (refer 47)	70.3
Disposals / Adjustments	-
Additions on acquisition (refer note 37 & 38)	-
Other adjustments	
- Foreign currency translation adjustments	245.3
As at March 31, 2023	4,500.9
Net carrying value	
As at March 31, 2022	4,754.2
As at March 31, 2023	5,960.7

For the purpose of impairment testing carrying amount of Goodwill has been allocated to the following Cash Generating Units (CGU) as follows :

Particulars	As at March 31, 2023	As at March 31, 2022
Acrotech Biopharma LLC	312.5	288.3
Vespyr Brands, Inc	604.4	557.5
Generis Farmaceutica, Portugal	963.1	906.9
Milpharm Ltd, UK	232.4	232.4
Aurex BV, Netherlands	75.9	75.9
Aurobindo Pharma Ltd	1,095.4	248.7
Auronext Pharma Private Limited	33.9	33.9
GLS Pharma Limited	232.5	-
Eugia Pharma Specialities Ltd	2,410.6	2,410.6
Total	5,960.7	4,754.2

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

The recoverable amounts of the Goodwill have been determined based on value-in-use calculations which uses cash flow projections covering generally a period of five years which are based on key assumptions such as margins, expected growth rates based on past experience and Management's expectations/extrapolation of normal increase/steady terminal growth rate and appropriate discount rates that reflects current market assessments of time value of money. The Management believes that any reasonably possible change in key assumptions on which recoverable amount is based is not expected to cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

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6(A). INTANGIBLE ASSETS

	Brands	Product Development cost	Trade Marks	Licences and patents	Total
Gross Carrying value (at cost)					
As at April 1, 2021	15,159.6	1,585.8	-	10,518.6	27,264.0
Additions	-	690.4	-	1,967.9	2,658.3
Disposals / adjustments	(10.8)	(644.7)	-	1,021.7	366.2
Acquisition through business combination (refer note 38(ii))	-	-	-	4,495.6	4,495.6
Other adjustments					
- Foreign currency translation adjustments	328.8	(0.9)	-	147.1	475.0
As at March 31, 2022	15,499.2	2,920.0	-	16,107.5	34,526.7
Additions	-	629.1	-	1,742.5	2,371.6
Disposals / adjustments	(100.7)	154.9	-	233.6	287.8
Acquisition through business combination (refer note 37 & 38(i))	4.0	-	884.3	-	888.3
Other adjustments					
- Foreign currency translation adjustments	1,213.2	63.7	-	1,148.6	2,425.5
As at March 31, 2023	16,817.1	3,457.9	884.3	18,765.0	39,924.3
Accumulated amortisation					
As at April 1, 2021	3,065.5	224.8	-	3,393.1	6,683.4
Charge for the year	1,649.0	432.4	-	1,205.2	3,286.6
Disposals / adjustments	(6.6)	(471.5)	-	(697.6)	(1,175.7)
Acquisition through business combination (refer note 38(ii))	-	-	-	-	-
Other adjustments					
- Foreign currency translation adjustments	135.3	(0.3)	-	(36.3)	98.7
As at March 31, 2022	4,856.4	1,128.4	-	5,259.6	11,244.4
Charge for the year	1,875.6	413.1	88.4	1,665.5	4,042.6
Disposals / adjustments	1.8	113.5	-	461.6	576.9
Acquisition through business combination (refer note 37 & 38(i))	-	-	-	-	-
Other adjustments					
- Foreign currency translation adjustments	454.9	50.4	-	386.5	891.8
As at March 31, 2023	7,185.1	1,478.4	88.4	6,850.0	15,601.9
Net carrying value					
As at March 31, 2022	10,642.8	1,791.6	-	10,847.9	23,282.3
As at March 31, 2023	9,632.0	1,979.5	795.9	11,915.0	24,322.4

- Refer note 40 for details of capital research and development expenditure.
- Amortisation for the year include ₹ Nil (March 31, 2022: ₹ Nil) taken as pre-operative capital expenditure on capital projects pending capitalisation.
- Include intangible assets with indefinite useful lives amounting to ₹3,727.0 (March 31, 2022 ₹3,509.4)

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6(B). INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	8,096.4	6,326.4
Additions during the year	3,087.5	4,683.0
Capitalisations	(2,214.7)	(2,252.3)
Written off	(262.9)	(740.3)
Disposals / Other Adjustment	(93.2)	-
Foreign currency translation adjustments	323.0	79.6
	8,936.1	8,096.4

Refer note 49 for ageing of Intangible assets under development

7. INVESTMENTS

(A) Investments accounted for using the equity method

Particulars	Face value	As at March 31, 2023		As at March 31, 2022	
		Quantity (% of interest)	Amount	Quantity (% of interest)	Amount
Investments in unquoted equity shares (fully paid, carried at cost, unless stated otherwise)					
In joint ventures					
Novagen Pharma (Pty) Limited, South Africa	ZAR 17.7948	927,236 (50%)	217.8	927,236 (50%)	242.7
Novagen BBEEE Invest Co. (Pty) Ltd., South Africa	ZAR 371.405	245 (24.5%)	0.8	245 (24.5%)	0.8
Luoxin Aurovitas Pharma (Chengdu) Co., Ltd China	0	30%	681.4	30%	539.6
Purple Bellflower (Pty) Ltd, South Africa	ZAR 4.8	480 (48%)	-	480 (48%)	-
Tergene Biotech Private Limited, India	₹10	9,040,000 (80%)	-	9,040,000 (80%)	-
Raidurgam Developers Limited, India	₹10	4,000,000 (40%)	-	4,000,000 (40%)	-
In Associates					
NVNR (Ramannapet I) Power Plant Private Limited	₹10	520,000 (26%)	-	520,000 (26%)	5.2
NVNR (Ramannapet II) Power Plant Private Limited	₹10	520,000 (26%)	-	520,000 (26%)	5.2
			900.0		793.5

(B) Non-current investments

Particulars	Face value	As at March 31, 2023		As at March 31, 2022	
		Quantity (% of interest)	Amount	Quantity (% of interest)	Amount
Investments in unquoted equity shares (fully paid, carried at cost, unless stated otherwise)					
In subsidiaries					
Aurobindo Pharma Foundation Pvt Ltd (Sec-8 Company)*	₹10	10,000(100%)	0.1	10,000(100%)	0.1
In others (carried at fair value through profit and loss)					
Jeedimetla Effluent Treatment Limited, India	₹100	753	0.1	753	0.1
Patancheru Envirotech Limited, India	₹10	103,709	1.0	103,709	1.0
Progressive Effluent Treatment Limited, India	₹100	1,000	0.1	1,000	0.1
Synergy Remedies Private Limited	₹10	10,489,500	150.0	10,489,500	150.0
		A	151.3		151.3
Investments in unquoted preference shares (fully paid, carried at cost, unless stated otherwise)					
In joint ventures					
Tergene Biotech Private Limited, India (10.5% Cumulative Preference shares redeemable at par within six years from the date of issue)	₹100	2,890,000	96.2	2,480,000	98.9

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Face value	As at March 31, 2023		As at March 31, 2022	
		Quantity (% of interest)	Amount	Quantity (% of interest)	Amount
		B	96.2		98.9
Investments in unquoted optionally convertible debentures (fully paid, carried at cost, unless stated otherwise)					
In joint ventures					
Raidurgam Developers Limited, India	₹1,000	831,232	591.7	2,110,000	1,866.0
(Interest of 1.5% to 9.5% over a period of ten years redeemable at par within ten years from date of issue. These are optionally convertible into 100 equity shares per debenture at any time after one year.)					
In Associates					
NVNR (Ramannapet I) Power Plant Private Limited - OCDs	₹10	4,862,000 (26%)	48.0	4,862,000 (26%)	48.6
NVNR (Ramannapet II) Power Plant Private Limited - OCDs	₹10	4,862,000 (26%)	47.7	4,862,000 (26%)	48.6
		C	687.4		1,963.2
Unquoted investment in government securities (Carried at fair value through profit and loss)					
National Savings Certificate (includes held by Income tax authorities ₹0.1 (March 31, 2022 : ₹0.1))			0.2		0.2
		D	0.2		0.2
Investments in quoted equity shares (fully paid, carried at fair value through other comprehensive income)					
Non current Investments in Stocks and shares (refer note 7(1))			570.8		915.9
Investments in quoted bonds (fully paid, carried at amortised cost)					
Non current Investments in quoted bonds (refer note 7(1))			1,511.5		2,260.0
		E	2,082.3		3,175.9
		A+B+C+D+E	3,017.4		5,389.5
Aggregate value of quoted investments			2,082.3		3,175.9
Aggregate value of unquoted investments			935.1		2,213.6
Market value of quoted investments			2,082.3		3,175.9

(C) Current investments

	Face value	As at March 31, 2023		As at March 31, 2022	
		Quantity (% of interest)	Amount	Quantity (% of interest)	Amount
Investments in unquoted equity shares (fully paid, carried at fair value through profit and loss)					
Citadel Aurobindo Biotech Limited, India	₹100	70,000	-	70,000	7.0
(At cost less impairment of ₹7.0 (31 March 2022: ₹7.0))					
Investments in quoted equity shares (fully paid, carried at fair value through profit and loss)					
Union Bank of India (formerly known as Andhra Bank)	₹10	1,469	0.1	1,469	0.1
Investments in quoted bonds (fully paid, carried at amortised cost)					
Investments in quoted commercial papers (refer note 7(1))			818.6		3,788.4
Investments in quoted bonds (refer note 7(1))			691.3		-
Less: Provision for impairment in value of investments			-		(7.0)
			1,510.0		3,788.5

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Face value	As at March 31, 2023		As at March 31, 2022	
		Quantity (% of interest)	Amount	Quantity (% of interest)	Amount
Aggregate value of unquoted investments			-		7.0
Aggregate value of quoted investments			818.7		3,788.5
Market value of quoted investments			818.7		3,788.5
Aggregate amount of impairment in value of investments			7.0		7.0

*On July 2020, the Parent Company incorporated Aurobindo Pharma Foundation, a wholly owned Section 8 Company under the Companies Act, 2013 to further the CSR activities of the Group. The objective is not to obtain economic benefits through the activities of the foundation and accordingly it has been excluded for the purpose of preparation of consolidated financial statements.

7(1). INVESTMENTS

	Face value (USD)	As at March 31, 2023		As at March 31, 2022	
		Quantity	Amount	Quantity	Amount
Non current Investments in quoted equity shares (fully paid, carried at fair value through other comprehensive income)					
AT&T Inc. COM USD1 (T)	1.0000	102,600	162.3	102,600	183.8
Linde PLC COM EUR0.001 (LIN)	0.0010	-	-	615	14.9
Medtronic PLC (MDT)	0.0001	-	-	2,117	17.8
TE Connectivity Ltd COM CHF0.57 (TEL)	0.5700	-	-	1,474	14.6
Abbott Laboratories (ABT)	-	1,612	13.4	1,612	14.5
Adobe Systems Incorporated COM (ADBE)	0.0001	447	14.2	447	15.4
American Water Works Company Inc COM USD0.01 (AWK)	0.0100	-	-	465	5.8
Blackrock Inc COM USD0.01 (BLK)	0.0100	186	10.2	186	10.8
Cisco Systems Inc (CSCO)	-	5,171	22.2	5,171	21.9
Disney Walt Co COM (DIS)	0.0100	1,784	14.7	1,784	18.5
Fidelity NATL Information Services COM USD0.01 (FIS)	0.0100	2,311	10.3	2,311	17.6
Fiserv INC (FISV)	0.0100	-	-	2,166	16.6
Home Depot Inc (HD)	0.0500	916	22.2	916	20.8
Honeywell International Inc COM USD1 (HON)	1.0000	-	-	2,547	37.6
JP Morgan Chase & Co (JPM)	1.0000	1,945	20.8	1,945	20.1
Microsoft Corp (MSFT)	0.0000	-	-	3,438	80.3
Mondelez INTL Inc COM NPV (MDLZ)	-	-	-	2,211	10.5
Otis Worldwide Corp COM (OTIS)	0.0100	-	-	2,320	13.5
PNC Financial Services Group COM USD5 (PNC)	5.0000	1,224	12.8	1,224	17.1
PepsiCo Inc (PEP)	-	-	-	974	12.4
Qualcomm Inc (QCOM)	0.0001	1,299	13.6	1,299	15.0
S&P Global Inc COM (SPGI)	1.0000	-	-	601	18.7
Salesforce.com Inc COM USD0.001 (CRM)	0.0010	-	-	1,374	22.1
Schwab Charles Corp COM (SCHW)	0.0100	-	-	3,887	24.8
Stanley Black & Decker Inc (SWK)	2.5000	1,592	10.6	1,592	16.9
TJX Companies Inc (TJX)	1.0000	-	-	1,440	6.6
Thermo Fisher Scientific Inc (TMO)	1.0000	-	-	407	18.2
Zoetis Inc (ZTS)	0.0100	892	12.2	892	12.7
American Tower Corp COM USD0.01 (AMT)	0.0100	-	-	482	9.2
Activision Blizzard Inc COM (ATVI)	0.0000	4,963	34.9	4,963	30.1
Organon & Co Common Stock	0.0100	1,260	2.4	1,260	3.3
iShares TR ISHS 1-5YR INVS (IGSB)	-	36,567	151.9	36,567	143.5
Dr Horton Inc COM STK USD0.01(DHI)	0.0100	-	-	540	3.0
Martin Marietta Materials Inc COM USD0.01 (MLM)	0.0100	-	-	407	11.9
US BANCORP (USB)	0.0100	3,829	11.3	3,829	15.4
Warner Bros Discovery Inc COM SER A (WBD)	0.0100	24,820	30.8	-	-
			570.8		915.9

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Face value (USD)	As at March 31, 2023		As at March 31, 2022	
		Quantity	Amount	Quantity	Amount
Non current Investments in quoted bonds (fully paid, carried at amortised cost)					
American Express Co NOTE	100.00	11,620	95.7	11,220	85.3
AT&T Inc Note	100.00	11,210	92.9	11,210	86.1
Bank Amer Corp Bond Perpetual	100.00	11,330	95.4	11,210	87.1
Bank New York Mellon Corp SER I	100.00	5,600	0.1	5,600	42.8
Bank of Montreal MTN	100.00	5,580	45.4	11,220	84.2
BK of America Corp SER N MTN	100.00	11,220	90.1	11,220	83.1
CenterPoint Energy Inc Note	100.00	7,550	61.6	7,550	56.8
Charter Communications OPER	100.00	11,520	0.3	11,220	86.7
Cigna Corp New SER B NOTE	100.00	11,400	0.2	11,200	85.5
Citi Group Inc NOTE CALL MAKE	100.00	11,210	90.8	11,210	83.7
Comcast Corp New NOTE CALL MAKE	100.00	11,480	94.8	11,230	85.9
Deere John Capital Corp SER H MTN	100.00	5,610	46.1	5,610	42.5
Enbridge Inc MTN CDS- NOTE	100.00	5,620	-	5,620	42.6
General Mills Inc NOTE	100.00	11,400	0.2	11,220	86.2
General MTRS FINL CO Inc NOTE	100.00	11,220	91.3	11,220	84.2
Goldman Sachs Group Inc NOTE	100.00	16,820	137.4	16,820	127.1
JP Morgan Chase & Co Bond	100.00	5,610	44.8	11,210	83.2
Morgan Stanley SER I MTN	100.00	11,220	92.6	11,220	85.6
National Rural UTILS COOP FIN SER D	100.00	7,010	-	7,010	53.2
NextEra Energy Capital Holdings, Inc.	100.00	11,220	0.1	11,220	84.7
Royal BK CDA SER I MTN	100.00	11,220	91.2	11,220	84.1
Schwab Charles Corp Bond	100.00	750	6.4	11,210	84.0
Southern Calif Edinson Co SER 2021C	100.00	11,440	94.3	11,240	85.6
Southern Co SER 2016B NOTE	100.00	11,350	0.2	11,200	83.8
Starbucks Corp NOTE	100.00	5,920	-	5,920	44.9
Thermo Fisher Scientific Inc. NOTE	100.00	5,700	0.0	5,700	43.2
Truist Financial Corp MTN	100.00	6,080	49.5	11,370	85.3
Verizon Communications Inc	100.00	11,230	93.3	11,230	86.5
Dominion Energy Inc SER D NOTE	100.00	8,660	0.0	8,660	65.4
Shell International Finance BV NOTE	100.00	5,620	0.0	5,340	40.7
Wells Fargo & Co SER U MTN	100.00	5,880	48.3	-	-
Capital One Financial Corporation NOTE	100.00	5,610	46.1	-	-
Bank New York Mellon Corp SER J MTN	100.00	290	2.4	-	-
			1,511.5		2,260.0
Current Investments in quoted commercial papers (fully paid, carried at amortised cost)					
Cigna Corp	100.00	-	-	46,000	348.5
Duke Energy Corp	100.00	-	-	150,000	1,136.4
Parker Hannifin Corp	100.00	-	-	27,000	204.6
Syngenta Wilmington Inc.	100.00	-	-	250,000	1,894.4
Verizon Communications Inc	100.00	-	-	27,000	204.5
Banco Santander S.A.	100.00	100,000	818.6	-	-
			818.6		3,788.4

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Face value (USD)	As at March 31, 2023		As at March 31, 2022	
		Quantity	Amount	Quantity	Amount
Current Investments in quoted bonds (fully paid, carried at amortised cost)					
Cigna Corp New SER B NOTE	100	11,400	93.8	-	-
Dominion Energy Inc. SER D NOTE	100	8,660	70.9	-	-
General Mills Inc NOTE	100	11,400	94.0	-	-
National Rural Utils Coop Fin SER D	100	7,010	57.6	-	-
NextEra Energy Capital Holdings, Inc.	100	11,220	91.7	-	-
Shell Intl Fin BV NOTE	100	5,620	46.3	-	-
Thermo Fisher Scientific Inc NOTE	100	5,700	46.8	-	-
Charter Communications Operating, LLC	100	11,520	95.3	-	-
Enbridge Inc MTN CDS- NOTE	100	5,620	46.2	-	-
Starbucks Corp NOTE	100	5,920	48.7	-	-
			691.3		-

8. LOANS

	As at March 31, 2023	As at March 31, 2022
(A) Non current		
Loans receivables considered good - unsecured		
Loans to employees	55.7	63.2
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	1.6	-
	57.3	63.2
Less: provision for loans	1.6	-
	55.7	63.2
No loans are due from directors or other officers of the Parent Company either severally or jointly with any other person. Refer note 39 for dues from related parties.		
(B) Current		
Loans receivables considered good - unsecured		
Loans to employees	124.3	127.1
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	0.2	-
	124.5	127.1
Less: provision for loans	0.2	-
	124.3	127.1

No loans are due from directors or other officers of the Company either severally or jointly with any other person.

9. TRADE RECEIVABLES

(A) Non current

	As at March 31, 2023	As at March 31, 2022
(A) Non current		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	433.0	358.6
	433.0	358.6
Less: loss allowance	433.0	358.6
	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	As at March 31, 2023	As at March 31, 2022
(B) Current		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	44,663.8	40,122.6
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	1,216.6	921.3
	45,880.4	41,043.9
Less: loss allowance	1,216.6	921.3
	44,663.8	40,122.6

The details of changes in allowance for credit loss during the year ended March 31, 2023 and March 31, 2022 are as follows:

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	1,279.9	1,288.0
Provision made during the year, net of reversals	430.9	(22.3)
Bad debts written off	93.6	38.8
Effect of changes in the foreign exchange rates	(154.8)	(24.6)
Balance at the end of the year	1,649.6	1,279.9

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person or debts due from firms or private companies respectively in which any director is a partner or a director or member. Refer note 39 for dues from related parties.

Refer Note 43(C)(i) for the Group's credit risk management process.

Refer Note 50 for ageing of trade receivables

10. OTHER FINANCIAL ASSETS

(Unsecured, considered good unless stated otherwise)

	As at March 31, 2023	As at March 31, 2022
(A) Non current		
Security deposits		
Considered good	1,412.9	1,202.8
Doubtful	-	0.4
	1,412.9	1,203.2
Provision for doubtful deposits	-	0.4
	1,412.9	1,202.8
Other non-current bank balances (Refer note 15(B)) *	90.8	86.4
	1,503.7	1,289.2
*Includes margin money deposits of ₹43.0 (March 31, 2022 ₹34.5) given against bank guarantees or performance guarantees (refer note 34(B))		
(B) Current		
Security deposits	72.1	59.1
Derivatives - foreign currency forward contracts	191.4	320.2
Interest accrued on deposits	122.6	29.9
Interest accrued on investments in debentures and preference shares of joint ventures	27.6	127.5
Incentives receivable	1,721.0	-
Other Receivables- Others	768.8	172.4
	2,903.5	709.1

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

11. DEFERRED TAX ASSETS AND LIABILITIES (NET)

	As at March 31, 2023	As at March 31, 2022
(A) Deferred tax assets (net)		
Business loss and unabsorbed depreciation carried forward	74.7	3.5
Provisions	369.9	37.2
Unused tax credits	1,558.9	597.6
Receivables, financial assets at amortised cost	32.3	5.4
Property plant and equipment	(494.7)	(1,025.3)
Inventories	3,336.2	2,926.9
Others	1,897.6	340.6
	6,774.9	2,885.9
(B) Deferred tax liabilities (net)		
Property plant and equipment	2,957.5	4,159.0
Business loss and unabsorbed depreciation carried forward	29.2	24.7
Receivables, financial assets at amortised cost	(219.6)	(151.7)
Provisions	(178.6)	(214.6)
Inventories	(21.0)	(19.9)
Others	1,328.6	312.1
	3,896.1	4,109.6

Movement in deferred tax assets/deferred tax liabilities

	As at April 1, 2022	Recognised in statement of profit and loss	Recognised in OCI	Additions on account of Business acquisition	Foreign Currency Translation	As at March 31, 2023
Deferred tax assets						
Business loss and unabsorbed depreciation carried forward	3.5	66.2	-	-	5.0	74.7
Provisions	37.2	323.0	1.7	-	8.0	369.9
Unused tax credits (MAT)	597.6	799.3	-	-	162.0	1,558.9
Receivables, financial assets at amortised cost	5.4	23.8	-	-	3.1	32.3
Property plant and equipment	(1,025.3)	560.6	-	-	(30.0)	(494.7)
Inventories	2,926.9	297.1	-	-	112.2	3,336.2
Others	340.6	1,495.7	-	-	61.3	1,897.6
	2,885.9	3,565.7	1.7	-	321.6	6,774.9
Deferred tax liabilities						
Property plant and equipment	4,159.0	(1,197.4)	-	2.1	(6.2)	2,957.5
Business loss and unabsorbed depreciation carried forward	24.7	(2.9)	-	-	7.4	29.2
Receivables, financial assets at amortised cost	(151.7)	(67.5)	-	-	(0.4)	(219.6)
Provisions	(214.6)	10.2	21.2	-	4.6	(178.6)
Inventories	(19.9)	0.1	-	-	(1.2)	(21.0)
Others	312.1	957.0	-	-	59.5	1,328.6
	4,109.6	(300.5)	21.2	2.1	63.7	3,896.1

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	As at April 1, 2021	Recognised in statement of profit and loss	Recognised in OCI	Additions on account of Business acquisition	Foreign Currency Translation	As at March 31, 2022
Deferred tax assets						
Business loss and unabsorbed depreciation carried forward	10.0	(6.6)	-	-	0.1	3.5
Provisions	24.8	12.5	-	-	(0.1)	37.2
Unused tax credits (MAT)	35.4	562.2	-	-	-	597.6
Receivables, financial assets at amortised cost	1.3	4.0	-	-	0.1	5.4
Property plant and equipment	(693.2)	(310.1)	-	-	(22.0)	(1,025.3)
Inventories	4,624.6	(1,752.4)	-	-	54.7	2,926.9
Others	523.9	(198.2)	-	-	14.9	340.6
	4,526.8	(1,688.6)	-	-	47.7	2,885.9
Deferred tax liabilities						
Property plant and equipment	6,252.1	(2,149.6)	74.6	-	(18.1)	4,159.0
Business loss and unabsorbed depreciation carried forward	(205.5)	230.9	-	-	(0.7)	24.7
Receivables, financial assets at amortised cost	(272.1)	120.4	-	-	-	(151.7)
Provisions	(291.4)	92.6	5.1	(19.6)	(1.3)	(214.6)
Inventories	(20.1)	(0.2)	-	-	0.4	(19.9)
Others	282.6	26.4	-	-	3.1	312.1
	5,745.6	(1,679.5)	79.7	(19.6)	(16.6)	4,109.6

- (i) The Group's tax jurisdictions are in various countries, primarily in India, USA and Europe. Significant judgements are involved in determining the provision for current tax, including amounts expected to be paid / recovered for uncertain tax positions.
- (ii) Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and the level of future taxable profits together with the future tax planning strategies.

12. INCOME TAX ASSETS (NET)

	As at March 31, 2023	As at March 31, 2022
(A) Non-Current		
Advance income-tax (net of provision for taxation)	2,885.2	3,189.7
	2,885.2	3,189.7
(B) Current		
Advance income-tax (net of provision for taxation)	756.2	2,699.9
	756.2	2,699.9

Refer note 32 for details of income tax expense

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

13. OTHER ASSETS

(Unsecured, considered good unless stated otherwise)

	As at March 31, 2023	As at March 31, 2022
(A) Non current		
Export incentives receivable		
Considered good	-	-
Doubtful	68.2	73.6
	68.2	73.6
Provision for doubtful receivables	68.2	73.6
	-	-
Export rebate claims receivable	537.8	288.8
Capital advances		
Considered good	3,118.2	1,039.2
Doubtful	15.7	1.1
	3,133.9	1,040.3
Provision for doubtful advances	15.7	1.1
	3,118.2	1,039.2
Advances other than capital advances		
Considered good	50.7	38.7
Doubtful	31.2	30.0
	81.9	68.7
Provision for doubtful advances	31.2	30.0
	50.7	38.7
Defined benefit plan assets (refer note 36)	45.3	-
Balance with government authorities		
Considered good	417.3	219.7
Doubtful	0.4	-
	417.7	219.7
Provision for doubtful receivables	0.4	-
	417.3	219.7
	4,169.3	1,586.4
(B) Current		
Advances other than capital advances		
Considered good	4,895.1	4,087.6
Doubtful	8.8	-
	4,903.9	4,087.6
Provision for doubtful advances	8.8	-
	4,895.1	4,087.6
Export rebate claims receivable	2,549.6	1,845.9
Insurance claim receivable	-	68.3
Export incentives receivable	166.1	1,375.3
Balances with Statutory/government authorities	11,076.2	8,173.0
	18,687.0	15,550.1
(C) Assets held for sale		
Assets held for sale-Land and Buildings	857.6	791.0
	857.6	791.0

Assets held for sale represents:

1. Manufacturing facility at Lawrenceville, New Jersey comprising of land and building and
2. Research facility at New York comprising of building.

These properties have been classified as assets held for sale upon discontinuation of operations at these facilities. Subsequent to March 31, 2023 the group has entered into an agreement for sale of the manufacturing facility in Lawrenceville pending execution and completion of closing conditions. The management expects to conclude the sale by second quarter of FY 23-24. Management is still in the process of finding potential buyers for the research facility in New York and expects to sell the facility by FY 2023-24

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

14. INVENTORIES

(Valued at lower of cost and net realisable value)

	As at March 31, 2023	As at March 31, 2022
Raw materials	26,814.4	23,744.4
Packing materials	3,784.8	3,402.7
Work-in-progress	14,068.3	11,978.4
Finished goods	29,995.9	24,634.8
Stock-in-trade	7,277.0	8,910.7
Stores, spares and consumables	3,220.7	2,919.8
Less : Reclassified to intangible assets under development	(48.8)	(52.3)
	85,112.3	75,538.5
Details of material in transit included in inventories above		
Raw materials	795.2	268.4
Finished goods	5,864.8	3,686.2

During the year, the Company recorded inventory (write-up)/write-downs to net realisable value of ₹(137.6) (March 31, 2022: ₹(320.2)). These adjustments were included in cost of material consumed and changes in inventories.

15. CASH AND BANK BALANCES

	As at March 31, 2023	As at March 31, 2022
(A) Cash and cash equivalents		
Balances with banks:		
in current accounts	16,311.9	34,913.4
in cash credit accounts	274.9	336.6
in money market accounts	1,365.3	-
in deposit accounts - with original maturity of less than 3 months	25,931.3	6,297.2
Cash on hand	79.5	77.9
	43,962.9	41,625.1
(B) Bank balances other than cash and cash equivalents		
Balances with banks - deposits with maturity less than 12 months	16,854.2	249.3
Earmarked balances with banks:		
in unpaid dividend account	24.9	25.7
Margin money deposits - given against bank guarantees/performance guarantees	90.8	86.5
	16,969.9	361.5
Amount disclosed under non-current financial assets (refer note 10(A))	(90.8)	(86.5)
	16,879.1	275.0
(C) For the purpose of statement of cash flows, cash and cash equivalents comprise of following:		
Cash and cash equivalents as above	43,962.9	41,625.1
Less: Cash credit (refer note 18(B))	(40.2)	-
	43,922.7	41,625.1

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

16. EQUITY SHARE CAPITAL

a) Authorised

	As at March 31, 2023	As at March 31, 2022
1,790,500,000 (March 31, 2022: 1,790,500,000) equity shares of ₹1 each	1,790.5	1,790.5
8,210,000 (March 31, 2022: 8,210,000) preference shares of ₹100 each	821.0	821.0
	2,611.5	2,611.5

b) Issued, subscribed and fully paid-up equity shares

	Equity Shares	
	Numbers	Amount
As at April 1, 2021	585,938,609	585.9
As at March 31, 2022	585,938,609	585.9
As at March 31, 2023	585,938,609	585.9

c) Terms/rights attached to equity shares

The Parent Company has only one class of equity shares having a par value of ₹1 per share. Each holder of equity shares is entitled to one vote per share.

The Parent Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

For the year ended March 31, 2023, the amount of interim dividend per share declared as distributions to equity shareholders was ₹3.0 (March 31, 2022: ₹4.5).

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Details of shareholders holding more than 5% of total number of equity shares in the Parent Company

	As at March 31, 2022	
	Numbers	% holding
RPR Sons Advisors Private Limited and Mrs. P. Suneela Rani (Joint Holders)*	196,376,250	33.51%

	As at March 31, 2023	
	Numbers	% holding
RPR Sons Advisors Private Limited and Mrs. P. Suneela Rani (Joint Holders)*	196,376,250	33.51%

*As per records of the Parent Company, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownerships of shares and the beneficial ownership is with RPR Enterprises, a partnership firm.

Refer note 52 for shares held by promoters

e) No shares have been allotted without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the Balance sheet date.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

17. OTHER EQUITY

A. Summary of other equity balance

	As at March 31, 2023	As at March 31, 2022
Capital reserve	1,221.3	818.9
Capital redemption reserve	90.0	90.0
Securities premium account	4,178.9	4,178.9
General reserve	8,131.6	8,131.4
Foreign currency translation reserve	14,080.5	6,718.8
Retained earnings	240,130.3	225,190.1
Other Comprehensive Income (OCI)	(20.0)	45.8
	267,812.6	245,173.9

- a) The disaggregation of changes in reserves and surplus and OCI are disclosed in statement of changes in equity.
- b) The details of distribution of dividend made are as under:

	As at March 31, 2023	As at March 31, 2022
Cash dividends on equity shares declared and paid during the year		
Interim dividend paid in year ended March 31, 2023: ₹7.5 per share (March 31, 2022: ₹4.5 per share)	4,394.5	2,636.7
	4,394.5	2,636.7

Proposed dividends on equity shares:

Proposed interim dividend for the year ended March 31, 2023: ₹ Nil per share (March 31, 2022: ₹4.5 per share) not recognised as liability.

B. Nature and purpose of reserves

(a) Capital reserve	Represents capital reserve balances of the acquired entities which are transferred to the Group upon mergers in the earlier years and those arising on acquisition.
(b) Capital redemption reserve	The Parent Company has recognised capital redemption reserve on redemption of non-convertible preference shares. The amount in Capital Redemption Reserve is equal to nominal amount of the non-convertible preference shares redeemed. This reserve will be utilised in accordance with Section 69 of the Companies Act, 2013.
(c) Securities premium	The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on the grant date and nominal value of share is accounted as securities premium. This reserve will be utilised in accordance with provisions of Section 52 of the Companies Act, 2013.
(d) General reserve	The Parent Company has transferred a portion of its net profit before declaring dividend to general reserve pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013. This reserve also includes transferred cumulative translation differences arising from foreign operations forming part of foreign currency translation reserve which were deemed to be zero upon transition to Ind AS as at April 1, 2015.
(e) Retained earnings	Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distribution to share holders.
(f) Other Comprehensive Income (OCI):	Other comprehensive income comprises of: <ul style="list-style-type: none"> (i) Re-measurement of defined employee benefit plans: Difference between the interest income on plan assets and the return actually achieved, any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments with in the plans, are recognised in other comprehensive income and subsequently not reclassified in to consolidated statement of profit and loss. (ii) Exchange differences on translation of financial statements of foreign operations: Represents exchange differences arising on account of conversion of foreign operations to Group's functional currency.
(g) Non-controlling interest	Net profit/(loss) attributable to minority shareholders.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

18. BORROWINGS

	As at March 31, 2023	As at March 31, 2022
(A) Non - Current borrowings		
Term loans from Banks		
Foreign currency term loans - Secured (refer note (i) below)	3,167.6	2,492.1
Term loans - Rupee loans - Secured (refer note (ii) below)	3,022.0	-
	6,189.6	2,492.1
(B) Current borrowings		
Term loans from Banks		
Current maturities of foreign currency term loans (secured) (refer note (i) below)	113.7	57.3
Current maturities of term loans (unsecured) (refer note (iii) below)	7.6	-
Foreign currency term loans (unsecured) (refer note (iv) below)	657.1	2,528.7
Loans repayable on demand from Banks - working capital loans		
- Cash credit facilities (secured)	40.2	-
- Working capital demand loan (Unsecured) (refer note (v) below)	2,200.0	1,000.8
- Working capital demand loan (Secured) (refer note (vi) below)	2.4	500.0
- Packing credit loans (Secured) (refer note (vii) below)	19,227.8	2,387.5
- Packing credit loans (Unsecured) (refer note (viii) below)	15,157.0	13,901.5
- Bill discounting facility (Unsecured) (refer note (ix) below)	5,019.8	859.8
	42,425.6	21,235.6
(C) Details of secured and unsecured borrowings		
Secured borrowings	25,573.7	5,436.9
Unsecured borrowings	23,041.5	18,290.8
	48,615.2	23,727.7

- (i) Secured foreign currency term loan amounting to ₹1,489.2 (March 31, 2022: ₹1,398.2) carrying interest rate of 0.80% (March 31, 2022: 0.80%) is secured by buildings and is payable in equal quarterly instalments and the last instalment is payable in 2023 and secured foreign currency term loan amounting to ₹1,792.1 (March 31, 2022: ₹1,092.3) is secured by capital work in progress, carrying interest rate of 4.50% (March 31, 2022: 4.90%) and is payable in half-yearly instalments and the last instalment is payable in May, 2027.
- (ii) Secured Term loan of ₹3,000.0 are secured by first charge on present and future moveable and immovable assets and also shortfall undertaking from Parent company and its subsidiaries. The term loan is repayable in 18 quarterly instalments commencing from April, 2025 and carries an interest rate of 3 month MCLR + 0.05% (Effective rate of interest 8.76%).
- (iii) Unsecured term loan carries an interest rate ranging from 15% to 16.25% .
- (iv) Unsecured short-term foreign currency loans amounting to ₹657.1 (March 31, 2022: ₹2,528.7) carry interest in the range of 4.0% to 4.6 % (March 31, 2022: 0.8%).
- (v) All unsecured working capital demand loans carry interest rate in the range of 4.25% to 7.75% (March 31, 2022 : 4.25%).
- (vi) All secured working capital demand loans are secured by first pari passu charge by way of hypothecation of all the stocks, book debts and other current assets (both present and future) and carry interest rate of 10.5% (March 31, 2022 : 4%).

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

- (vii) All secured packing credit foreign currency loans carry interest rate in the range of respective SOFR plus 0 to 15 basis points (March 31, 2022: respective LIBOR plus 10 to 25 basis points) with maturity within 6 months.
- (viii) Unsecured packing credit foreign currency loans amounting to ₹14,978.1 (March 31, 2022: 13,438.1) carry interest rate in the range of respective SOFR plus 0 to 160 basis points (For March 31, 2022: respective LIBOR plus (-5) to 25 basis points) with maturity within 6 months and unsecured packing credit foreign currency loan amounting to ₹178.9 (March 31, 2022: 463.4) carry interest rate in the range of respective 1M SOFR plus 30 to 110 basis points for USD Loans and 1M EURIBOR plus 0 Basis points to 3M EURIBOR plus 60 Basis points for Euro Loans (March 31, 2022: LIBOR plus 0 to 10 basis points and SOFR plus 0 to 5 basis points).
- (ix) All unsecured bills discounted carry interest rate in the range of respective EURIBOR Plus 40 to 75 bps (31 March 2022: respective LIBOR plus (0) to 2 basis points).

19. PROVISIONS

	As at March 31, 2023	As at March 31, 2022
(A) Non-current		
For employee benefits		
Gratuity and other retirement benefits (refer note 36(b))	101.8	382.2
Compensated absences	968.6	1,112.9
Other employee benefit obligation	549.8	222.8
Others	107.0	-
	1,727.2	1,717.9
(B) Current		
For employee benefits		
Gratuity and other retirement benefits (refer note 36(b))	2.0	148.3
Compensated absences	383.8	163.6
Other employee benefit obligation	194.2	-
Provisions for sales returns and medical taxes	1,425.3	1,393.7
	2,005.3	1,705.6

20. TRADE PAYABLES

	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	622.7	384.7
Total outstanding dues of creditors other than micro enterprises and small enterprises	38,090.4	26,645.8
	38,713.1	27,030.5

Refer note 43 (C) (ii) for the Group's liquidity risk management process

Refer note 39 for the related party payables

Refer note 51 for Trade payables ageing schedule

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

21. OTHER FINANCIAL LIABILITIES

	As at March 31, 2023	As at March 31, 2022
(A) Non-current		
Others	125.0	113.5
	125.0	113.5
(B) Current		
Capital creditors	3,500.8	2,109.0
Acceptances *	-	4,276.9
Security deposits	10.1	1.6
Unclaimed dividend	24.9	25.7
Interest accrued but not due on borrowings	7.9	-
Rebates	11,485.4	8,947.0
Others	2,184.6	2,386.3
	17,213.7	17,746.5

* Acceptances includes credit availed by the Parent Company from banks for payment to supplies for raw materials purchased by the Parent Company. These are largely repayable within 180 days.

22. OTHER LIABILITIES

	As at March 31, 2023	As at March 31, 2022
(A) Non-current		
Other payables	290.4	297.7
	290.4	297.7
(B) Current		
Contract liabilities	3,739.8	5,623.0
Deferred income	148.9	55.5
Statutory liabilities	2,138.0	1,279.4
Liability towards corporate social responsibility	97.9	-
Employee payables	2,068.4	1,626.2
Other payables	3,239.5	3,078.3
	11,432.5	11,662.4

23. CURRENT TAX LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Provision for income tax (net of advance tax)	2,116.0	580.3
	2,116.0	580.3

24. REVENUE FROM OPERATIONS

	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products (Active Pharma Ingredients (API) and Formulations)	241,043.8	231,243.1
Sale of services	5,127.5	2,422.4
Other operating revenue		
Scrap sales	206.7	196.8
Others	-	379.0
Government Incentive schemes	2,175.8	313.6
	248,553.8	234,554.9

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Details of sale of services		
Dossier income	60.3	6.0
Service income	5,067.2	2,416.4
	5,127.5	2,422.4
(a) Reconciliation of revenue from sale of products with the contracted price:		
Revenue as per contracted price	507,894.8	480,171.8
Adjusted for:		
Sales returns	(3,516.1)	(3,753.6)
Chargebacks, rebates and discounts	(256,531.4)	(239,808.7)
Profit sharing adjustments	2,265.3	1,233.5
Others adjustments	(9,068.8)	(6,599.9)
Total revenue from contracts with customers	241,043.8	231,243.1

(b) For information on disaggregation of revenue by primary geographical markets, refer note 53

25. OTHER INCOME

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on financial assets		
Bank deposits	1,061.4	155.5
Other deposits and receivables	58.7	160.5
Interest Income on Investments	253.3	-
Investments in Debentures	85.5	-
Dividend income on investments (carried at fair value through profit or loss)	26.3	33.7
Reversal of impairment loss on intangible assets under development	-	517.8
Liabilities no longer required written back (net)	130.1	137.8
Foreign exchange gain (net)	-	699.6
Profit on sale of fixed assets (net)	132.3	-
Profit on investments (net)	-	290.8
Commission income	68.4	61.6
Miscellaneous income	1,089.9	1,146.2
	2,905.9	3,203.5

26. COST OF MATERIALS CONSUMED

	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw material consumed		
Opening stock*	23,781.5	30,275.8
Add: Purchases	88,370.6	58,062.1
	112,152.1	88,337.9
Less: Capitalised as intangible assets under development	-	(47.6)
Less: Closing stock	26,814.4	23,744.4
Cost of raw material consumed	85,337.7	64,545.9
Adjustment for fluctuation in exchange rates	159.6	158.7
Packing materials consumed	11,027.8	9,013.7
	96,525.1	73,718.3

*Includes inventories on acquisition of controlling interest in subsidiary ₹371 (March 31, 2022 ₹ Nil)

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

27. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the beginning of the year		
Stock-in-trade	8,910.7	12,978.7
Work-in-progress*	11,992.2	13,024.8
Finished goods**	24,649.9	28,207.6
	45,552.8	54,211.1
Inventories at the end of the year		
Stock-in-trade	7,277.0	8,910.7
Work-in-progress	14,068.3	11,978.4
Finished goods	29,995.9	24,634.8
	51,341.2	45,523.9
	(5,788.4)	8,687.2
On account of stock write off	(56.8)	(344.0)
Adjustment for fluctuation in exchange rates	1,748.4	(176.4)
	(4,096.8)	8,166.8

*Includes inventories on acquisition of controlling interest in subsidiary ₹13.8 (March 31, 2022 ₹ Nil)

**Includes inventories on acquisition of controlling interest in subsidiary ₹15.1 (March 31, 2022 ₹ Nil)

28. EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	30,729.8	30,213.2
Contribution to provident and other funds (refer note 36(a))	1,590.0	1,498.1
Gratuity expense (refer note 36(b))	327.4	322.3
Compensated absences expense (refer note 36(c))	349.2	340.7
Staff welfare expenses	2,283.6	2,134.9
Share based payments	(57.5)	-
	35,222.5	34,509.2

29. FINANCE COSTS

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on financial liabilities measured at amortised cost	1,119.9	190.5
Interest expense on lease liabilities	169.6	177.9
Other borrowing costs	115.3	118.0
	1,404.8	486.4

30. DEPRECIATION AND AMMORTISATION EXPENSE

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment (refer note 3(A))	7,595.7	7,195.7
Depreciation on Right to use Assets (refer note 4)	737.2	782.9
Amortisation of intangible assets (refer note 5 & 6(A))	4,112.9	3,286.6
	12,445.8	11,265.2

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

31. OTHER EXPENSES

	For the year ended March 31, 2023	For the year ended March 31, 2022
Conversion charges	359.2	265.7
Consumption of stores and spares	1,900.1	1,839.5
Chemicals consumed	3,928.0	4,190.4
Power and fuel	8,426.3	6,268.6
Carriage inward	236.3	719.1
Factory maintenance	611.1	681.9
Effluent treatment expenses	475.3	426.3
Repairs and maintenance		
i) Plant and machinery	2,155.3	1,815.4
ii) Buildings	536.5	537.9
iii) Others	541.7	534.1
Rent (Refer note 33(A)(a))	1,337.6	1,241.9
Rates and taxes	1,081.0	1,028.9
Printing and stationery	322.2	319.3
Postage and telephones	301.0	354.7
Insurance	1,213.2	1,126.0
Legal and professional charges	5,081.0	5,304.9
Directors sitting fees	10.1	11.8
Remuneration to auditors	28.9	17.9
Sales commission	1,342.5	2,800.1
Carriage outwards	10,867.1	7,729.4
Selling expenses	4,648.0	4,437.2
Travelling and conveyance	818.1	527.0
Vehicle maintenance expenses	250.6	208.6
Clinical and analytical charges	5,683.3	4,144.8
Loss Allowance for doubtful trade receivables (net)	524.5	(22.3)
Registration, license and filing charges	3,389.6	3,112.9
Foreign exchange loss (net)	395.8	-
Product development expenses	395.1	652.4
Impairment of intangibles/intangibles under development and Goodwill	239.6	-
Software license and implementation expenses	283.9	305.0
Loss on sale/write-off of property, plant and equipment (net) and intangible assets written off (refer note 3(A) and 6(A))	-	400.2
Corporate Social Responsibility (CSR) expenditure (refer note below)	646.0	626.1
Miscellaneous expenses	5,183.4	3,169.5
	63,212.3	54,775.2

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Details of CSR expenditure

	For the year ended March 31, 2023	For the year ended March 31, 2022
- Amount required to be spent by the company during the year	646.0	569.9
- Amount approved by the Board to be spent during the year	646.0	569.9
- Amount spent on:		
i) Construction/acquisition of any asset	7.3	-
ii) On purposes other than (i) above	559.5 *	569.9
- Shortfall at the end of the year	84.2 **	-
- Total of previous years shortfall	13.7	-
- Reason for shortfall	NA	NA
- Nature of CSR activities	Disaster Relief, Education, Skilling, Employment, Entrepreneurship, Health, Wellness and Water, Sanitation and Hygiene, Heritage	
- Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard Contribution to Aurobindo Pharma Foundation (Section 8 Company) in relation to CSR expenditure	554.5	569.9

* It includes amount of ₹186.6 unspent at Aurobindo Pharma Foundation (Sec 8 Company) and transferred to unspent CSR account. Also includes ₹5.0 spent during the year relating to expenses to be spent during the previous year.

** Shortfall at the end of the year transferred to unspent CSR account.

32. INCOME TAX

The major components of income tax expense for the year ended March 31, 2023 and March 31, 2022 are

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Statement of profit and loss		
Current tax*	10,714.8	6,628.2
Deferred tax	(3,866.3)	628.1
	6,848.5	7,256.3
*Includes Minimum Alternate Tax (MAT) adjustment of ₹(562.8) for the previous year ended March 31, 2022		
Other comprehensive income		
Deferred tax - net loss on remeasurements of defined benefit plans	(19.5)	(34.4)
	(19.5)	(34.4)
Reconciliation of effective tax rate for the year ended March 31, 2023 and March 31, 2022		
Profit before tax	26,125.0	33,727.5
Enacted tax rate in India	25.17%	25.17%
Tax at statutory tax rate	6,575.7	8,488.5
Other than temporary differences		
Tax holidays (Refer Note "a" below)	(1,752.5)	(755.6)
Dividend received from foreign subsidiary charged at special rate of tax	(414.9)	(1,135.1)
Differences in tax rate	146.7	1,293.1
Expenses not deductible for tax purposes *	594.1	766.0
Effect of loss making components	1,550.6	-
Others	148.8	(1,400.6)
Total	272.8	(1,232.2)
Income tax expense	6,848.5	7,256.3
Effective tax rate	26.21%	21.51%

*Previous year number includes impairment of Goodwill not deductible for tax purposes

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Notes:

- (a) The subsidiaries benefit from the tax holiday available for units set up under the Special Economic Zone Act, 2005. These tax holidays are available for a period of fifteen years from the date of commencement of operations. Under the SEZ scheme, the unit which begins providing services on or after April 1, 2005 will be eligible for deductions of 100% of profits or gains derived from export of services for the first five years, 50% of such profit or gains for a further period of five years and 50% of such profits or gains for the balance period of five years subject to fulfilment of certain conditions. From April 1, 2011 units set up under SEZ scheme are subject to Minimum Alternate Tax (MAT).
- (b) During the quarter ended March 31, 2022, the Parent Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Parent Company has recognised provision for income tax for the year ended March 31, 2022 and re-measured its deferred tax assets / liabilities based on the rate prescribed in the said Section. The impact of this change has been recognised in the consolidated statement of profit and loss over the period from April 1, 2021 to March 31, 2022.
- (c) Deferred taxes have not been recognised on undistributed earnings of subsidiaries and joint ventures, where it is expected that the profits of its subsidiaries and joint ventures will not be distributed in the foreseeable future. The Group reinvests the profits of its subsidiaries and joint ventures, and accordingly, has not recorded any deferred taxes for the same. Significant judgements are involved in determining provision for current tax and deferred tax on deductible temporary differences. Deferred tax is not recognised on deductible temporary differences, where the Group believes that availability of taxable profits against which such temporary differences can be utilised, is not probable.

33 COMMITMENTS

A. Leases

a) Operating lease commitments - Group as lessee

The Group has lease contracts for office buildings, equipment, land and vehicles. The lease term generally varies between 4 to 10 years. These contracts include extension and termination options.

Changes in lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	4,785.0	3,668.1
Additions	1,125.1	2,305.0
Deletions	(874.7)	(94.4)
Finance cost	193.4	183.4
Payment of lease liabilities	924.7	1,331.3
Forex gain/(loss)	57.2	(54.2)
Closing balance	4,246.9	4,785.0
Non current lease liability	3,215.3	3,186.1
Current lease liability	1,031.6	1,598.9

Cash outflow on leases

Particulars	As at March 31, 2023	As at March 31, 2022
Payment of lease liabilities	731.3	1,147.9
Interest on lease liabilities	193.4	183.4
Total cash outflow on leases	924.7	1,331.3

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Amount recognised in statement of profit and loss

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation	737.2	782.9
Interest expense	169.6	183.4
Low value leases and leases with term less than 12 months	1,337.6	1,241.9
Total expense relating to leases	2,244.4	2,208.2

Contractual maturities of lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	1,115.8	1,666.9
1 to 5 years	2,713.6	2,167.9
above 5 years	812.0	987.3
	4,641.4	4,822.1

The details of the right-of-use asset held by the Group is as follows:

Particulars	Additions for the year ended March 31, 2023	Net carrying amount as on March 31, 2023	Additions for the year ended March 31, 2022	Net carrying amount as on March 31, 2022
Right-of-use Assets				
Land and land rights	14.0	1,084.8	648.6	1,184.1
Buildings	729.0	2,407.7	470.0	2,036.2
Machinery	-	400.3	676.6	1,307.9
Vehicles	392.6	627.3	256.6	551.9
Total	1,135.6	4,520.1	2,051.8	5,080.1

Depreciation on right-of-use asset is as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Right-of-use Assets		
Land	46.3	50.7
Buildings	457.1	388.1
Machinery	181.0	211.1
Vehicles	210.8	242.7
Total	895.2	892.6

The Group incurred ₹1,337.6 for the year ended March 31, 2023 (March 31, 2022: ₹1,241.9) towards expenses relating to short-term leases and leases of low-value assets.

Additional information relating to sale and leaseback transaction carried out by the Group during the previous year :

- a) The Group entered into a sale and leaseback transaction for its property (comprising of land and building) at Dayton, New Jersey to monetize the current market value of the property.
- b) The lease term is for 10 years commencing from December 2021. The Group is restricted from subletting the premises without lessor's prior written consent. Further, upon subletting, it shall pay 50% of the rental in excess of the base rent and any additional rent provided in the agreement between the Group and the lessor.

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for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

c). Cash flow effect of the sale and leaseback transaction in the reporting period is as follows:

- i) proceeds from sale and leaseback transaction disclosed under cash flows from investing activities - ₹3,494.4
- ii) payment of lease liabilities with respect to the sale and leaseback transaction disclosed under cash flows from financing activities - ₹33.8

B. Capital and other commitments

	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	16,546.8	9,877.1

The Group is a party to contractual arrangements with respect to acquisition of certain intangible assets and intangible assets under development wherein the Group has commitment to make potential future milestone payments and royalties to third parties and the owners of know-how respectively, as defined in the underlying agreements.

C. The Group has certain arrangements with banker relating to receivables factoring arrangement entered in to by certain subsidiaries with respect to receivables from their respective customers. The factoring arrangement is without recourse to the Group and are in the normal course of business.

34 CONTINGENT LIABILITIES AND LITIGATIONS

(A) Claims against the Group not acknowledged as debt

	As at March 31, 2023	As at March 31, 2022
Claims arising from disputes not acknowledged as debts - indirect taxes (excise duty and service tax)*	619.2	681.3
Claims arising from disputes not acknowledged as debts - direct taxes*	313.6	493.8
Claims against the Group not acknowledged as debts - other duties/ claims^	168.8	189.6

*in respect of above matters, future cash outflows in respect of contingent liabilities are determinable only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group. The Group is contesting these demands (including certain demands which are not treated as contingent based on assessment) and the Management, including its advisors, believe that its position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for the demands raised. The Management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations. The above does not include show cause notices received by the Group against which no demand has been levied by the department.

^The Group is involved in disputes, claims, Governmental and/or regulatory inspection, inquires, including patents and commercial matters that arise from time to time in the ordinary course of business. The same are subject to uncertain future events not wholly within the control of the Group. The management does not expect the same to have materially adverse effect on its financial position, as it believes the likely hood of any loss is not probable.

In addition to the above, the Parent Company along with a subsidiary is a party to certain pending disputes with regulatory authorities relating to the certain allotment of lands that have taken place in earlier years. During the year 2018-19, pursuant to the order of the Honourable Appellate Tribunal, the lands belonging APL Research Centre Limited (merged with Parent company w.e.f April 1, 2019), subsidiary, which were attached earlier, were released after placing a fixed deposit of ₹131.6 as a security deposit with Enforcement Directorate. While the disposal of the cases are subject to final judgement from the CBI Special Court, in the assessment of the management and as legally advised, the allegations are unlikely to have a significant material impact on the financial statements of the Parent Company.

(B) Guarantees

	As at March 31, 2023	As at March 31, 2022
Outstanding bank guarantees (Performance guarantees)	483.7	212.7

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

(C) Litigation

Regulatory and Governmental matters

As part of the ongoing industry-wide investigation by Antitrust Division of the United States Department of Justice ("DOJ") pertaining to price fixing and price-collusion allegations the DOJ served a grand jury subpoena on Aurobindo Pharma USA, Inc. requesting certain information and documentation including the pricing of Company products. The scope of the subpoena is from January 01, 2012 through March of 2016. The civil division of the DOJ also subsequently served a Civil Investigation Demand requesting similar information and documentation. The scope of the CID is from January 01, 2009 through May 11, 2018. The subpoena and the CID itself do not assert any claims, actions or allegations of wrongdoing against the Company. Management and counsel continue to cooperate with the DOJ's subpoena and to respond with information requested pursuant to the subpoena. The Company continues to review the issue internally and believes that it has not engaged in any unlawful conduct that would lead to civil or criminal liability.

35 EARNINGS PER SHARE

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Earnings		
Consolidated profit after tax attributable to the owners of the Parent Company considered for calculation of basic and diluted earnings per share	19,275.0	26,481.5
Shares		
Weighted average number of Equity Shares considered for calculation of basic earnings per share	585,938,609	585,938,609
Earnings per share of face value ₹1/-		
- Basic	32.90	45.19
- Diluted	32.90	45.19

36 EMPLOYEE BENEFITS

a) Disclosures related to defined contribution plan

In accordance with Indian law, all eligible employees of APL and its subsidiaries in India are entitled to receive benefits under the provident fund and ESI, a defined contribution plan in which both the employee and employer (at a determined rate) contribute monthly. APL and its subsidiaries in India contribute as specified under the law to the Provident Fund and ESI:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Provident fund contribution recognised as expense in the consolidated statement of profit and loss*	701.1	630.8
Contribution to ESI recognised as expense in the consolidated statement of profit and loss**	18.0	16.7

*Includes ₹20.9 (March 31, 2022: ₹9.5) transferred to capital work in progress

**Includes ₹0.3 (March 31, 2022: ₹0.3) transferred to capital work in progress

b) Disclosures related to defined benefit plan of the Parent Company and its subsidiaries in India

The Parent Company and its subsidiaries in India has a defined benefit gratuity plan governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to gratuity on departure at 15 days last drawn salary for each completed year of service or part thereof in excess of six months.

This defined benefit plan exposes the Parent Company and its subsidiaries in India to actuarial risk, such as longevity risk, interest rate risk and market (investment) risk.

The plan is funded with Life Insurance Corporation in the form of a qualifying insurance policy. The following tables summarise the components of net benefit expense recognised in the consolidated statement of profit and loss, the fund status and amounts recognised in the consolidated balance sheet:

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Net employee benefit expense (included under employee benefit expenses)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost*	331.8	284.7
Past service cost	-	-
Interest on defined benefit liability	(4.4)	(11.1)
Net employee benefit expenses	327.4	273.6

*Excludes ₹6.0 (March 31, 2022 : ₹ Nil) transferred to capital work in progress

Details of the employee benefits obligations and plan assets are as follows:

	As at March 31, 2023	As at March 31, 2022
Present value of funded obligation	2,739.4	2,189.6
Fair value of plan assets	2,694.4	2,139.3
Net defined benefit (asset)/liability	45.0	50.3

Details of changes in present value of defined benefit obligation are as follows:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening defined benefit obligation*	2,473.1	2,095.7
Current service cost	337.8	284.7
Past service cost	-	-
Interest on defined benefit obligation	163.4	129.5
Acquisition/(Divestiture)	49.0	(139.3)
Benefits paid	(235.7)	(137.5)
Remeasurement due to:		
Actuarial loss arising from changes in experience	45.3	3.6
Actuarial loss arising from changes in demographic assumptions	(2.5)	-
Actuarial loss/(gain) arising from changes in financial assumptions	(91.0)	(47.1)
Closing defined benefit obligation	2,739.4	2,189.6

*Includes ₹283.5 (March 31, 2022 : ₹ Nil) opening defined benefit obligation relating to subsidiaries in India.

Details of changes in fair value of plan assets are as follows:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening fair value of plan assets	2,429.1	2,139.5
Interest on plan assets	167.8	140.6
Employer Contribution	307.4	170.0
Acquisition/(Divestiture)	-	(152.2)
Benefits paid	(235.7)	(137.5)
Remeasurement due to - actual return on plan assets less interest on plan assets	25.8	(21.1)
Closing fair value of plan assets	2,694.4	2,139.3

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Sensitivity analysis

The sensitivity of overall plan obligations to changes in key assumptions are as follows:

	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation with effect of projected salary growth	2,395.2	2,189.6
Defined benefit obligation, using discount rate plus 50 basis points	2,456.7	2,121.7
Defined benefit obligation, using discount rate minus 50 basis points	2,665.5	2,261.7
Defined benefit obligation, using salary growth rate plus 50 basis points	2,661.3	2,257.7
Defined benefit obligation, using salary growth rate minus 50 basis points	2,459.7	2,124.4

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	As at March 31, 2023	As at March 31, 2022
Funds managed by Insurers	100%	100%

Gratuity is unfunded in Eugia Steriles Private Limited & GLS Pharma Limited.

The principal assumptions used in determining gratuity obligations for the Parent Company and its subsidiary's plans are shown below:

	As at March 31, 2023	As at March 31, 2022
Financial assumptions		
Discount rate (p.a.)	7.39%-7.44%	6.90%
Expected salary increase (p.a.)	10% for 2 Years and 7% thereafter	10% for 2 Years and 7% thereafter
Demographic assumptions		
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

Attrition rate	As at March 31, 2023		As at March 31, 2022	
	Age (years)	Rates (p.a)	Age (years)	Rates (p.a)
	21 - 30	16%	21 - 30	16%
	31 - 40	12%	31 - 40	12%
	41 - 50	6%	41 - 50	6%
	51 - 57	23%	51 - 57	23%

Discount rate: The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.

Salary escalation rate: The estimate of future salary increases considered takes into account the inflation, seniority, promotion and other related factors.

Maturity profile of the defined benefit obligation

	As at March 31, 2023	As at March 31, 2022
Weighted average expected future working life (Years)	7.0-8.5	8.1
Expected future cash flow of gratuity		
Within 12 months	367.0	288.8
Between 2 and 5 years	1,205.0	949.4
Beyond 5 years	3,288.0	2,511.4

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

c) Disclosures relating to compensated absences for the parent company and its subsidiaries in India

	As at March 31, 2023	As at March 31, 2022
Financial assumptions		
Discount rate (p.a.)	7.39% - 7.44%	6.75%-6.96%
Expected salary increase (p.a)	10% for 2 Years and 7% thereafter	8%-10% for 2 Years and 7%-8% thereafter
Demographic assumptions		
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

Withdrawal rate	As at March 31, 2023		As at March 31, 2022	
	Age (years)	Rates (p.a)	Age (years)	Rates (p.a)
	21 - 30	16%	21 - 30	10% - 16%
	31 - 40	12%	31 - 40	10% - 12%
	41 - 50	6%	41 - 50	6% - 10%
	51 - 57	23%	51 - 57	10% - 23%
Retirement age	58 years		58 years	

37 ACQUISITION OF SUBSIDIARY

The Board of Directors of the Parent company at its meeting held on June 17, 2022 approved investment in GLS Pharma Limited (GLS) through subscription of 204,819 equity shares for an aggregate consideration of ₹93.5 (constituting 17% of the equity share capital of GLS) and acquisition of 409,339 equity shares from the selling shareholders for an aggregate consideration of ₹187.0 (constituting 34% of the equity share capital of GLS). Consequently, the Parent acquired control (51%) effective August 17, 2022.

GLS is engaged in the business of manufacturing and trading of various chemicals, intermediaries, drugs, formulations, dyestuffs, colours and pigments.

In accordance with Ind AS 103 "Business Combination", purchase consideration has been allocated on a provisional basis, pending final determination of the fair value of assets acquired and liabilities assumed. The resulting difference has been accounted as goodwill.

The provisional amounts of identifiable assets and liabilities value of the identifiable assets and liabilities of GLS Pharma Limited as at the date of acquisition and purchase consideration is as below:

Particulars	Amount
Liabilities assumed:	
Non current	
Borrowings	42.7
Lease liability	0.4
Deferred tax liability (net)	2.1
Minority interest	-
Current	
Borrowings	16.9
Lease liability	0.3
Trade payables	38.0
Other financial liabilities	22.3
Other current liabilities	17.2
Provisions	4.2

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Particulars	Amount
Current tax liabilities	3.3
Total liabilities assumed [A]	147.4
Fair value of assets acquired:	
Non current	
Property plant and equipment	80.4
Right-of -use assets	0.6
Other intangible assets	4.0
Current	
Inventories	71.7
Trade receivables	67.6
Cash and cash equivalents	64.1
Other financial assets	16.4
Other current assets	28.3
Total fair value of assets acquired [B]	333.1
Total fair value of net assets acquired [C=B-A]	185.7
Proportionate share of non-controlling interest [D]	137.7
Amount paid for acquisition of controlling interest [E]	280.5
Goodwill [D+E-C]	232.5

a. Summary of post acquisition revenue and gain of the acquired entity included in the consolidated statement of profit and loss for the year ended March 31, 2023

Particulars	For the year ended March 31, 2023
Revenue	273.0
Net profit from operations considered in the consolidated statement of profit and loss	10.3

b. The consolidated revenue and consolidated net profit of the Group for the current reporting period had the acquisition taken place at the beginning of the accounting period.

Particulars	For the year ended March 31, 2023
Consolidated revenue	251,547.4
Consolidated profit for the year	19,285.2

38 ACQUISITION OF BUSINESS

- (i) The Board of Directors of the Parent Company at its meeting held on March 28, 2022 had approved the acquisition of business including certain assets of Veritaz Healthcare Limited. Consequently, the Company entered into a definitive agreement for the said acquisition for a total consideration of ₹1,689.2 and obtained control w.e.f. April 1, 2022 over such business and assets. Consequently, basis of the purchase price allocation the company recorded goodwill aggregating to ₹917.0 as at March 31, 2023.

Particulars	Amount as on April 1, 2022
Liabilities assumed:	
Other financial liabilities	6.4
Current liabilities	361.8
Provisions	81.5
Total fair value of liabilities assumed [A]	449.7
Fair value of assets acquired	
Property, Plant And Equipment	4.0
Intangible assets	839.0
Current assets	378.9

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Particulars	Amount as on April 1, 2022
Total fair value of assets acquired [B]	1,221.9
Total fair value of net assets acquired [C=B-A]	772.2
Purchase consideration [D]	1,689.2
Goodwill [D-C]	917.0

- (ii) Effective April 30, 2021, Vespyr Brands Inc (formerly Nurya Brands Inc, USA), a subsidiary of Auro Health LLC USA., acquired certain rights, title and interest in the assets and liabilities owned by Mylan Consumer Healthcare, Inc., USA for an upfront cash consideration of ₹5,813.9

Particulars	Amount as on April 30, 2021
Liabilities assumed:	
Trade payable	82.1
Total fair value of liabilities assumed [A]	82.1
Fair value of assets acquired	
Intangible assets	4,495.6
Inventories	630.8
Accounts receivable	224.8
Total fair value of assets acquired [B]	5,351.2
Total fair value of net assets acquired [C=B-A]	5,269.1
Purchase consideration [D]	5,813.9
Goodwill [D-C]	544.8

The valuation techniques used for measuring the fair value of assets acquired were as follows:

Assets acquired	Valuation technique
Intangible assets	The valuation was carried out as per Multi-period Excess Earning Method

- a. Summary of post acquisition revenue and profit of the acquired business included in the consolidated statement of profit and loss for the year ended March 31, 2022

Particulars	For the year ended March 31, 2022
Revenue	2,031.2
Net loss considered in the consolidated statement of profit and loss	18.8

- b. The consolidated revenue and consolidated net profit of the Group for the current reporting period had the acquisition taken place at the beginning of the accounting period.

Particulars	For the year ended March 31, 2022
Consolidated revenue from operations	234,655.5
Consolidated profit for the year	26,482.9

- c. For acquired receivables:

Particulars	For the year ended March 31, 2022
The gross contractual amounts receivable	224.8
The best estimate at the acquisition date of the contractual cash flows not expected to be collected (provision)	-
Net value	224.8

- d. The total amount of goodwill that is expected to be deductible for tax purpose is ₹544.8.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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- (iii) Effective December 30, 2021, Auro PR Inc, a subsidiary of Helix Healthcare B.V. Netherlands, acquired certain assets including rights, title and interest in the assets and liabilities owned by Mylan LLC USA.

As at March 31, 2023, the consolidated balance sheet reflects the purchase price allocated to the assets acquired and liabilities assumed based on revised estimated fair value. The final purchase price allocation carried out during the year resulted in capital reserve of ₹402.4. The following table summarizes the allocation of purchase price consideration, for the fair values of assets acquired and liabilities assumed and the determination of capital reserve during the previous year.

Particulars	Amount as on December 30, 2021
Liabilities assumed:	
Current liabilities	
Other current liabilities	1,416.6
Total fair value of liabilities assumed [A]	1,416.6
Fair value of assets acquired	
Non-current Assets :	
Land	1,388.7
Current assets	
Cash and cash equivalents	10.7
Current tax assets (net)	44.5
Other current assets - Prepaid expenses	32.1
Other receivable	343.0
Total fair value of assets acquired [B]	1,819.0
Total fair value of net assets acquired [C=B-A]	402.4
Purchase consideration paid [D]	-
Capital Reserve [C-D]	402.4

The valuation techniques used for measuring the fair value of assets acquired were as follows:

Assets acquired	Valuation technique
Land	Market Approach has been adopted for estimating the Fair Value of Land
Buildings, Civil structure and Plant & Machinery	The Fair Value of Buildings & Miscellaneous Civil Structures and Plant & Machinery as on date of valuation has been estimated using depreciated replacement cost method under cost approach of valuation.
Computer hardware, Furniture And Fixtures, Office Equipment, computer software	Valued at Cost and book value of the assets as on December 30, 2021 has been adopted as Fair Value.

- a. Summary of post acquisition revenue and profit of the acquired business included in the consolidated statement of profit and loss for the previous year ended March 31, 2022

Particulars	For the year ended March 31, 2022
Revenue	863.4
Net loss considered in the consolidated statement of profit and loss	-

- b. The consolidated revenue and consolidated net profit of the Group for the current reporting period had the acquisition taken place at the beginning of the previous year.

Particulars	For the year ended March 31, 2022
Consolidated revenue from operations	241,202.6
Consolidated profit for the year	26,471.0

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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39. RELATED PARTY DISCLOSURES

i) Names of related parties and description of relationship

a) Joint ventures

- 1 Longxiang Pharma Taizhou Co. Ltd. (Joint Venture of a subsidiary, Helix Healthcare B.V., The Netherlands) (Liquidated w.e.f. August 31, 2021)
- 2 Luoxin Aurovitas Pharm (Chengdu) Co. Ltd. (Joint Venture of a subsidiary, Helix Healthcare B.V., The Netherlands)
- 3 Novagen Pharma (Pty) Limited, South Africa (Joint Venture of a step-down subsidiary, Aurogen South Africa (Pty) Ltd, South Africa)
- 4 Novagen BBBEE Invest Co (Pty) Ltd (Joint Venture of a step-down subsidiary, Aurogen South Africa (Pty) Ltd, South Africa)
- 5 Purple Bellflower (Pty)Ltd, South Africa (Joint Venture of a step-down subsidiary, Aurogen South Africa (Pty) Ltd, South Africa)
- 6 Raidurgam Developers Limited, India (formerly known as Aurobindo Antibiotics limited, India)
- 7 Tergene Biotech Limited, India

b) In Associates

- 1 NVNR (Ramannapet I) Power Plant Private Limited, India
- 2 NVNR (Ramannapet II) Power Plant Private Limited, India

c) Enterprises over which key management personnel or their relatives exercise significant influence

- 1 Alcedo Pharmachem Private Limited, India
- 2 Ambipack Industries, India
- 3 Aurobindo Foundation(Trust), India
- 4 Aurobindo Pharma Foundation (Section 8 Company), India
- 5 Aurobindo Realty & Infrastructure Private Limited, India
- 6 Auropro Soft Systems Private Limited, India
- 7 Axis Clinicals Limited, India
- 8 Axis Clinicals LLC, USA
- 9 Axis Clinicals Latina SA DE CV, Mexico
- 10 Crest Cellulose Private Limited, India (up to July 4, 2022)
- 11 East Pharma Technologies, India (Partnership firm)
- 12 Gelcaps Industries, India
- 13 Giyaan Pharma Private Limited, India
- 14 Kakinada Gateway Port Limited
- 15 Kakinada SEZ Limited
- 16 K Vijayaraghavan & Associates LLP
- 17 Orem Access Bio Inc, India
- 18 Pranit Packaging Private Limited, India
- 19 Pravesha Industries Private Limited, India
- 20 Sathguru Software Products Private Limited, India
- 21 SGD Pharma India Limited (formerly Cogent Glass Limited), India (up to November 16, 2021)
- 22 Sportz And Live Entertainment Private Limited
- 23 Sri Sai Packaging, India (Partnership firm)
- 24 Transaction Square LLP, India
- 25 Trident Chemphar Limited, India
- 26 Veritaz Healthcare Limited, India
- 27 Zoylo Digihealth Private Limited

d) Key managerial personnel

- 1 Mr. K. Nithyananda Reddy, Vice Chairman and Managing Director (w.e.f. January 1, 2022)
- 2 Dr. M. Sivakumaran, Whole-time Director
- 3 Mr. M. Madan Mohan Reddy, Whole-time Director
- 4 Mr. P. Sarath Chandra Reddy, Non Executive Director (Whole-time Director up to November 12, 2022)
- 5 Mr. N. Govindarajan, Managing Director (up to December 31, 2021)
- 6 Mr. Santhanam Subramanian, Chief Financial Officer
- 7 Mr. B. Adi Reddy, Company Secretary
- 8 Mr. K. Ragunathan, Non-executive Chairman and Independent Director

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

- 9 Dr. (Mrs.) Avnit Bimal Singh, Independent Director
- 10 Mr. P. Venkata Ramprasad Reddy, Non Executive promoter director
- 11 Mrs. Savitha Mahajan, Independent Director
- 12 Mr. Girish Paman Vanvari, Independent Director
- 13 Mr. Santanu Mukherjee, Independent Director (w.e.f. February 9, 2023)

ii) Transactions with related parties

a. Transactions with joint ventures

	For the year ended March 31, 2023	For the year ended March 31, 2022
Luoxin Aurovitas Pharm (Chengdu) Co. Ltd.		
Equity contribution	190.6	154.8
Sale of Services	-	313.9
Sale of Intangible Asset	61.6	-
Novagen Pharma (Pty) Limited, South Africa		
Sale of products	92.9	169.2
Sale of services	31.7	37.5
Purple Bell Flower (Pty) Limited, South Africa		
Dividend received	2.6	2.8
Dividends Paid	5.5	-
Loans and Advances given	0.1	0.2
Raidurgam Developers Limited		
Rent expenses including maintenance	293.0	302.8
Rent Deposit	-	0.2
Investment in optionally convertible debentures	-	500.0
Interest accrued	76.8	95.3
Reimbursement of expenses received	-	0.5
Tergene Biotech Limited, India		
Investment in 10.5% Cumulative Redeemable Preference shares	41.0	37.0

b. Transactions with Associates

	For the year ended March 31, 2023	For the year ended March 31, 2022
NVNR (Ramannapet I) Power Plant Private Limited, India		
Purchase of Service	84.7	-
Equity contribution	-	5.2
Investment in optionally convertible debentures	-	48.6
NVNR (Ramannapet II) Power Plant Private Limited, India		
Purchase of Service	80.6	-
Equity contribution	-	5.2
Investment in optionally convertible debentures	-	48.6

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

c. Transactions with enterprises over which key management personnel or their relatives exercise significant influence

	For the year ended March 31, 2023	For the year ended March 31, 2022
Alcedo Pharmachem Private Limited, India		
Purchases	495.3	219.7
Ambipack Industries, India		
Purchases	176.3	127.4
Aurobindo Pharma Foundation, India (Sec.8 Company)		
Contribution towards CSR activities	554.5	570.0
Aurobindo Realty & Infrastructure Private Limited		
Purchase of capital goods	23.9	246.2
Sale of Products	-	0.1
Auropro Soft Systems Private Limited		
Purchase of services	18.1	-
Axis Clinicals Limited, India		
Sale of products	0.0	0.1
Purchase of services	1,968.6	2,351.5
Purchases	-	0.8
Axis Clinicals LLC, USA		
Purchase of services	151.8	362.3
Axis Clinicals Latina SA DE CV, Mexico		
Purchase of services	-	28.2
Crest Cellulose Private limited, India (up to July 4, 2022)		
Purchases	93.0	251.1
East Pharma Technologies, India		
Purchases	136.6	97.6
Sale of products	-	0.1
Sale of Services	-	0.1
Gelcaps Industries, India		
Purchases	741.8	657.4
Sale of products	0.3	10.4
Giyaan Pharma Private Limited, India		
Sale of products	99.5	25.9
Kakinada Gateway Port Limited		
Purchase of services	2.7	-
Kakinada SEZ Limited		
Purchase of fixed assets	-	1,121.1
Purchase of services	922.0	-
K Vijayaraghavan & Associates LLP		
Purchase of services	1.5	-
Orem Access Bio Inc, India		
Purchases	378.8	241.0
Pranit Packaging Private Limited, India		
Purchases	401.6	287.8
Pravesha Industries Private Limited, India		
Sale of products	0.3	1.5
Purchase of Fixed assets	-	2.5
Purchases	4,315.2	3,245.2
Sathguru Software Products Private Limited, India		
Purchase of Services	2.5	5.9

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
SGD Pharma India Limited (formerly Cogent Glass Limited), India (up to November 16, 2021)		
Purchases	-	774.8
Reimbursement of expenses received	-	1.6
Sale of Products	-	1.2
Sportz And Live Entertainment Private Limited		
Purchase of Services	-	0.2
Sri Sai Packaging, India		
Sale of products	0.5	0.6
Purchases	320.2	282.8
Transaction Square LLP		
Purchase of Services	3.8	2.1
Trident Chemphar Limited, India		
Purchases	2,231.5	637.3
Purchase of services	27.2	85.1
Sale of products	-	0.0
Veritaz Healthcare Limited, India		
Sale of products	-	359.1
Rent received	-	0.4
Acquisition of business including certain assets	1,689.2	-
Purchases	2.6	-
Zoylo Digihealth Private Limited		
Purchase of Services	-	0.7

d. Remuneration to key managerial personnel and their relatives

	For the year ended March 31, 2023	For the year ended March 31, 2022
Short-term employee benefits	193.5	245.2
Post employment benefits	2.7	5.8
Director sitting fees	10.1	11.8
Commission	-	62.5

e) Transactions with key managerial personnel or their relatives

	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent expense	3.1	3.0

Note:

i) Managerial remuneration does not include provision for gratuity and leave encashment, which is determined for the Parent Company as a whole.

ii) All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for trade receivable, trade payable and other payables are unsecured, interest free and settlement occurs in cash. The Group has not recorded any impairment of balances relating to amounts owed by related parties during the year ended March 31, 2023 and March 31, 2022. Provisions for bad and doubtful debts will be made on an aggregate basis i.e., not specific to party. The assessment is undertaken each financial year through evaluating the financial position of the related party and the market in which the related party operates.



Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

iii) Closing balances of related parties

a. Balances with Joint ventures at the year end

	As at March 31, 2023	As at March 31, 2022
Luoxin Aurovitas Pharm (Chengdu) Co. Ltd.		
Balance receivable	61.6	317.4
Novagen Pharma (Pty) Limited, South Africa		
Balance receivable	36.9	57.4
Dividend receivable	315.5	357.0
Purple Bell Flower (Pty) Limited, South Africa		
Balance receivable	0.3	3.1
Balance payable	5.3	-
Raidurgam Developers Limited, India		
Balance receivable	19.7	47.8
Balance payable	4.0	7.4
Rent Deposit Receivable	100.8	100.8

b. Balances with enterprises over which key management personnel or their relatives exercise significant influence at the year end

	As at March 31, 2023	As at March 31, 2022
Alcedo Pharmachem Private Limited, India		
Balance payable	58.6	19.7
Ambipack Industries, India		
Balance payable	22.3	22.4
Aurobindo Foundation (Trust), India		
Corporate guarantee outstanding	990.0	-
Aurobindo Realty & Infrastructure Private Limited		
Balance payable	22.7	75.3
Axis Clinicals Limited, India		
Balance payable	358.6	476.1
Axis Clinicals LLC, USA		
Balance payable	13.8	86.2
Axis Clinicals Latina SA DE CV, Mexico		
Balance payable	-	4.9
Crest Cellulose Private Limited, India		
Balance payable	-	61.3
East Pharma Technologies, India		
Balance payable	21.2	23.8
Gelcaps Industries, India		
Balance payable	135.0	139.0
Giyaan Pharma Private Limited, India		
Balance receivable	71.6	34.2
Kakinada SEZ Limited		
Balance payable	32.8	-
Kakinada Gateway Port Limited		
Balance payable	0.0	-
Orem Access Bio Inc, India		
Balance payable	90.8	46.9
Pranit Packaging Private Limited, India		
Balance payable	57.0	35.4

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Pravesha Industries Private Limited, India		
Balance payable	1,367.6	997.2
SGD Pharma India Limited (formerly Cogent Glass Limited), India (up to November 16, 2021)		
Balance payable	-	314.3
Sri Sai Packaging, India		
Balance payable	36.0	39.5
Transaction Square LLP		
Balance payable	2.4	0.1
Trident Chemphar Limited, India		
Balance payable	25.1	53.7
Balance receivable	1.2	-
Veritaz Healthcare Limited, India		
Balance receivable	-	159.6

c. Balances with key managerial personnel at the year end

	As at March 31, 2023	As at March 31, 2022
Mr. N Govindarajan (up to December 31, 2021)		
Balance payable	-	62.5
Mr. K Nithyananda Reddy		
Balance payable	0.2	-

40 The amount of research and development expenditure charged to consolidated statement of profit and loss is ₹14,115.3 (March 31, 2022: ₹15,813.8). Further, the amount of capital expenditure incurred towards research and development during the year amounted to ₹1,124.2 (March 31, 2022: ₹1,399.5)

41 INTEREST IN JOINT VENTURES AND ASSOCIATES

The Group has investment in Tergene Biotech Limited (Formerly Tergene Biotech Private Limited) with a voting share of 80.00%. As a result of a contractual arrangement with the third party partner, the Group has a majority representation on the entity's board of directors. However, the approval of directors represented by the third party partner is required for all major decisions with regard to operating and financing activities. As the Group does not control these entities and the other partners have significant participating rights, the Group's interest in these entities has been accounted under the equity method of accounting under Ind AS 111 - Joint Arrangements.

The Group has invested in an entity, Longxiang Pharma Taizhou Co., Ltd up to August 31, 2021 with a voting share of 57%. As a result of contractual arrangement with third party partners, the Group does not have majority/equal representation on the entity's Board of Directors. However, the approval of directors represented by both the Group and the third party partners is required for all major decisions with regard to operating and financing activities. As the Group jointly controls the entity with the third party partners, the Group's interest in this entity has been accounted under the equity method of accounting under Ind AS 111 - Joint Arrangements.

The Group has invested in entities, Raidurgam Developers Limited, Purple BellFlower (Pty) Ltd, South Africa, Luoxin Aurovitas Pharm (Chengdu) Co. Ltd, Novagen BBBEE Invest Co (Pty) Ltd with a voting share of less than 50%. As a result of a contractual arrangements with the third party partners, the Group does not have majority/equal representation on the entity's Board of Directors. However, the approval of directors represented by both the Group and the third party partners are required for all major decisions with regard to operating and financing activities. As the Group jointly controls the entities with the third party partners, the Group's interest in this entities has been accounted under the equity method of accounting under Ind AS 111 - Joint Arrangements.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

The Group has interest in the following joint ventures and associates

	As at March 31, 2023	As at March 31, 2022
Novagen Pharma Pty Ltd, South Africa (Joint venture)	50.00%	50.00%
Tergene Biotech Limited, India (Joint venture) (Formerly known as Tergene Biotech Private Limited)	80.00%	80.00%
Raidurgam Developers Limited, India (Joint venture)	40.00%	40.00%
Purple BellFlower (Pty) Ltd, South Africa (Joint venture)	48.00%	48.00%
Luoxin Aurovitas Pharm (Chengdu) Co. Ltd (Joint venture)	30.00%	30.00%
Longxiang Pharma Taizhou Co., Ltd (Joint venture) (liquidated w.e.f. August 31, 2021)	-	-
Novagen BBBEE Invest Co (Pty) Ltd (Joint venture)	24.50%	24.50%
NVNR (Ramannapet I) Power Plant Private Limited (associate)	26.00%	26.00%
NVNR (Ramannapet II) Power Plant Private Limited (associate)	26.00%	26.00%

(a) Interest in Joint ventures

The Group has no individually material joint ventures as at March 31, 2023. These joint ventures are engaged in manufacture and distribution of pharmaceuticals products except, Raidurgam Developers Limited, which is engaged in construction and infrastructure development. The Group's interest in these joint ventures is accounted using the equity method in the consolidated financial statements. The aggregate amount of the Group's share in joint ventures and the carrying amount of the investment in the consolidated financial statements are set out below:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit or loss from continuing operations	(104.8)	(312.7)
Post-tax profit or loss from discontinued operations	-	-
Other comprehensive income	0.1	0.2
Total comprehensive income	(104.7)	(312.5)

	As at March 31, 2023	As at March 31, 2022
Carrying amount of investment	1,587.9	2,748.0

(b) Interest in Associates

The Group has no individually material associates as at March 31, 2023. These associates are engaged in solar power generation to avail benefit of captive consumption of solar power. The Group's interest in these associates is accounted using the equity method in the consolidated financial statements. The aggregate amount of the Group's share in the associates and the carrying amount of the investment in the consolidated financial statements are set out below:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit or loss from continuing operations	(12.0)	(1.5)
Post-tax profit or loss from discontinued operations	-	-
Other comprehensive income	-	-
Total comprehensive income	(12.0)	(1.5)

	As at March 31, 2023	As at March 31, 2022
Carrying amount of investment	95.7	107.6

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for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

42 HEDGING ACTIVITIES AND DERIVATIVES - DERIVATIVES NOT DESIGNATED AS HEDGING INSTRUMENTS

The Group uses foreign currency denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one week to twelve months.

43 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

A. Accounting classifications and fair values hierarchy

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

March 31, 2023

Particulars	Notes	Carrying amount			Fair value				
		FVTPL	FVOCI	Amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Non-current investments in others*	7(B)	151.2	-	-	151.2	-	-	151.2	151.2
Non current Investments in Stocks and shares (refer note 7(1))	7(B)	-	570.8	-	570.8	570.8	-	-	570.8
Non-current investments in government securities*	7(B)	0.2	-	-	0.2	-	-	0.2	0.2
Current investments in quoted equity shares*	7(C)	0.1	-	-	0.1	0.1	-	-	0.1
		151.5	570.8	-	722.3	570.9	-	151.4	722.3
Financial assets not measured at fair value									
Non-current investments in preference shares	7(B)	-	-	96.2	96.2				
Non current Investments in quoted bonds (refer note 7(1))	7(B)	-	-	1,511.5	1,511.5				
Current Investments in quoted bonds (refer note 7(1))	7(C)	-	-	1,509.9	1,509.9				
Trade receivables	9(A)&9(B)	-	-	44,663.8	44,663.8				
Loans	8(A)&8(B)	-	-	180.0	180.0				
Cash and cash equivalents	15(A)&15(B)	-	-	60,842.0	60,842.0				
Other financial assets	10(A)&10(B)	-	-	4,215.8	4,215.8				
		-	-	113,019.2	113,019.2				
Financial assets measured at fair value									
Derivatives - foreign currency forward contracts	10(B)	191.4	-	-	191.4	-	191.4	-	191.4
		191.4	-	-	191.4	-	191.4	-	191.4
Financial liabilities not measured at fair value									
Borrowings (including current maturities of non-current borrowings)	18(A),18(B)	-	-	48,615.2	48,615.2				
Trade payables	20	-	-	38,713.1	38,713.1				
Lease liabilities	33(A)	-	-	4,246.9	4,246.9				
Other financial liabilities	21(A) & 21(B)	-	-	17,338.7	17,338.7				
		-	-	108,913.9	108,913.9				

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

March 31, 2022

Particulars	Notes	Carrying amount				Fair value			
		FVTPL	FVOCI	Amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Non-current investments in others*	7(B)	151.3	-	-	151.3	-	-	151.3	151.3
Non current Investments in Stocks and shares (refer note 7(1))	7(B)	-	915.9	-	915.9	915.9	-	-	915.9
Non-current investments in government securities*	7(B)	0.2	-	-	0.2	-	-	0.2	0.2
Current investments in quoted equity shares*	7(C)	0.1	-	-	0.1	0.1	-	-	0.1
		151.6	915.9	-	1,067.5	916.0	-	151.5	1,067.5
Financial assets not measured at fair value									
Non-current investments in preference shares	7(B)	-	-	98.9	98.9				
Non current Investments in quoted bonds (refer note 7(1))	7(B)	-	-	2,260.0	2,260.0				
Current Investments in quoted bonds (refer note 7(1))	7(C)	-	-	3,788.4	3,788.4				
Trade receivables	9(A)&9(B)	-	-	40,122.6	40,122.6				
Loans	8(A)&8(B)	-	-	190.3	190.3				
Cash and cash equivalents	15(A)&15(B)	-	-	41,900.1	41,900.1				
Other financial assets	10(A)&10(B)	-	-	1,678.1	1,678.1				
		-	-	90,038.4	90,038.4				
Financial assets measured at fair value									
Derivatives - foreign currency forward contracts	10(B)	320.2	-	-	320.2	-	320.2	-	320.2
		320.2	-	-	320.2	-	320.2	-	320.2
Financial liabilities not measured at fair value									
Borrowings (including current maturities of non-current borrowings)	18(A),18(B)	-	-	23,727.7	23,727.7				
Trade payables	20	-	-	27,030.5	27,030.5				
Lease liabilities	33(A)	-	-	4,785.0	4,785.0				
Other financial liabilities	21(A) & 21(B)	-	-	17,860.0	17,860.0				
		-	-	73,403.2	73,403.2				

*These are for operational purposes and the Group estimates that the fair value of these investments are not materially different as compared to their cost.

Notes to Consolidated Financial Statements

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(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

B. Measurement of fair values

i. Valuation technique and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the consolidated balance sheet, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value
Forward exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable
Equity investments	Discounted cash flow method	Forecast annual revenue growth rate (5%-9%) Forecast EBIT (13%-15%) Terminal growth rate- 5%	<ul style="list-style-type: none"> The estimated fair value would increase (decrease) if the EBIT margin were higher (lower) Generally a change in annual revenue growth rate is accompanied by a directionally similar change in EBIT margin

ii. Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in 2022-23 and no transfers in either direction in 2021-22.

C. Risk management framework

The Parent Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks being faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Parent Company's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the audit committee.

The Group is exposed primarily to credit risk, liquidity risk and market risk (including currency risk, interest rate risk and other price risk). The Group uses derivative financial instruments such as forwards to minimise any adverse effect on its financial performance.

(i) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, loans and other financial assets. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

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Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the Management also evaluates the factors that may influence the credit risk of its customer base, including the default risk and country in which the customers operate. The Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group review includes external ratings, if available, financial statements, credit agency information, industry information and in some case bank references. Sales limits are established for each customer and reviewed quarterly.

The Group's receivables turnover is quick and historically, there was no significant default on account of trade and other receivables. The Group assesses at each reporting date whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The maximum exposure to credit risk at the reporting date is the carrying value of trade and other receivables. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

Other financial assets

The Group maintains exposure in cash and cash equivalents, other receivables from bank and derivative instruments with financial institutions.

The Group's maximum exposure to credit risk as at March 31, 2023 and March 31, 2022 is the carrying value of each class of financial assets.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group sells on an ongoing basis and without recourse, its eligible receivables, to the banker under the accounts receivable purchase agreement, who is conveyed the right to the proceeds of subsequent collection from such customers. The Group de-recognises such receivables from its consolidated balance sheet.

The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The following are the remaining contractual maturities of financial liabilities at reporting date:

As at March 31, 2023	Carrying amount	Contractual cash flows			Total
		< 12 months	1 to 5 years	> 5 years	
Non-derivative financial liabilities					
Non-current borrowings (including current maturities)	6,310.9	228.3	3,905.5	2,425.1	6,558.9
Current borrowings	42,304.3	42,304.3	-	-	42,304.3
Lease liabilities	4,246.9	1,115.8	2,713.6	812.0	4,641.4
Trade payables	38,713.1	38,713.1	-	-	38,713.1
Other non-current financial liabilities	125.0	-	125.0	-	125.0
Other current financial liabilities	17,213.7	17,213.7	-	-	17,213.7

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

As at March 31, 2022	Carrying amount	Contractual cash flows			Total
		< 12 months	1 to 5 years	> 5 years	
Non-derivative financial liabilities					
Non-current borrowings (including current maturities)	2,549.4	105.1	1,635.0	961.2	2,701.3
Current borrowings	21,178.3	21,220.2	-	-	21,220.2
Lease liabilities	4,785.0	1,666.9	2,167.9	987.3	4,822.1
Trade payables	27,030.5	27,030.5	-	-	27,030.5
Other non-current financial liabilities	113.5	-	113.5	-	113.5
Other current financial liabilities	17,746.5	17,746.5	-	-	17,746.5

(iii) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity, commodity rates and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk.

(a) Foreign currency risk:

The fluctuation in foreign currency exchange rates may have potential impact on the consolidated statement of profit or loss, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the respective functional currency of each entity. The Group is subject to foreign exchange risk primarily due to its foreign currency revenues, expenses and borrowings. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Euro and GBP against the functional currency of the Company. The Group, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange. The Group has a treasury team which evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks and advises the Management of any material adverse effect on the Group. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. The information on foreign exchange risk from derivative instruments and non derivative instruments is as follows:

The summary of quantitative data about the Group's exposure to currency risk (based on the notional amounts) as reported to the management is as follows:

The foreign currency risk from non-derivative financial instruments as at March 31, 2023 is as follows:

Particulars	USD	Euro	GBP	Others	Total
Financial assets					
Trade receivables	10,764.5	1,081.5	-	301.5	12,147.5
Cash and cash equivalents	1,205.6	353.7	150.0	13.9	1,723.2
Loans	19.0	27.9	3.2	-	50.1
Total	11,989.1	1,463.1	153.2	315.4	13,920.8
Financial liabilities					
Borrowings	28,594.5	9,814.0	996.1	47.7	39,452.3
Trade payables (including capital creditors)	10,278.5	594.9	114.3	145.8	11,133.5
Acceptances supplier credit	-	-	-	-	-
Total	38,873.0	10,408.9	1,110.4	193.5	50,585.8
Net exposure in respect of recognised assets/(liabilities)	(26,883.9)	(8,945.8)	(957.2)	121.9	(36,665.0)

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The foreign currency risk from non-derivative financial instruments as at March 31, 2022 is as follows:

Particulars	USD	Euro	GBP	Others	Total
Financial assets					
Trade receivables	8,520.3	817.5	-	367.2	9,705.0
Cash and cash equivalents	159.6	2.2	42.8	3.9	208.5
Loans	80.9	15.3	3.3	9.3	108.8
Total	8,760.8	835.0	46.1	380.4	10,022.3
Financial liabilities					
Borrowings	15,825.5	859.9	-	-	16,685.4
Trade payables (including capital creditors)	7,117.6	682.1	49.9	106.5	7,956.1
Acceptances supplier credit	4,208.7	-	-	-	4,208.7
Total	27,151.8	1,542.0	49.9	106.5	28,850.2
Net exposure in respect of recognised assets/(liabilities)	(18,391.0)	(707.0)	(3.8)	273.9	(18,827.9)

Sensitivity analysis:

A reasonably possible strengthening/(weakening) of the Indian Rupee against foreign currency at March 31, 2023 would have affected the measurement of financial instruments denominated in foreign currency and affect the equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit or (loss)			
	March 31, 2023		March 31, 2022	
	5 % Strengthening	5 % Weakening	5 % Strengthening	5 % Weakening
USD	1,344.2	(1,344.2)	919.6	(919.6)
Euro	447.3	(447.3)	35.4	(35.4)
GBP	47.9	(47.9)	0.2	(0.2)
Others	(6.1)	6.1	(13.7)	13.7

(b) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Group's exposure to risk of change in market interest rates because it borrows funds at both fixed and floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. As the Group has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

Particulars	March 31, 2023	March 31, 2022
Variable rate borrowings including current maturities and lease liabilities	50,659.7	28,512.7
Fixed rate borrowings	2,202.4	1,500.8
Total borrowings	52,862.1	30,013.5

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Sensitivity analysis:

Particulars	Impact of Profit / (Loss) on consolidated Statement of profit and loss			
	March 31, 2023		March 31, 2022	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Variable rate instruments	(189.7)	189.7	(200.0)	200.0
Fixed rate instruments	(10.6)	10.6	(0.7)	0.7

Particulars	Impact of Profit / (Loss) on consolidated Equity, net of tax			
	March 31, 2023		March 31, 2022	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Variable rate instruments	(140.0)	140.0	(157.0)	157.0
Fixed rate instruments	(7.8)	7.8	(0.5)	0.5

(c) Commodity risk:

Exposure to market risk with respect to commodity prices primarily arises from the Group's purchase of active pharmaceutical ingredients and other raw material components for its products. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Group's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Group's business are generally more volatile. Cost of raw materials forms the largest portion of the Group's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2023, the Group had not entered into any derivative contracts to hedge exposure to fluctuations in commodity prices.

44 CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group monitors capital using a ratio of 'adjusted net debt' to 'total equity' and 'gearing ratio'. For this purpose, adjusted net debt is defined as total borrowings, less cash and cash equivalents and other bank balances.

The Groups adjusted net debt to total equity was as follows:

	As at March 31, 2023	As at March 31, 2022
Total borrowings	48,615.2	23,727.7
Less : Cash and cash equivalents	43,962.9	41,625.1
Less : Other Bank balances*	16,969.9	361.5
Adjusted net debt	(12,317.6)	(18,258.9)
Total Equity	268,518.5	245,740.5
Adjusted net debt to total equity ratio	(0.05)	(0.07)

*includes bank deposits against bank guarantees of ₹90.8 (March 31, 2022 : ₹86.5) classified as Other Non-current financial assets.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

45 ADDITIONAL STATUTORY INFORMATION IN RESPECT OF THE COMPONENTS OF APL AND ITS CONSOLIDATED ENTITIES

Name of the entity	As at and for the year ended March 31, 2023							
	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated OCI	Amount	As % of total comprehensive income	Amount
Parent - Aurobindo Pharma Limited	66.71 %	179,141.7	63.83 %	12,304.1	0.80 %	58.7	46.42 %	12,362.8
Subsidiaries - Indian								
APL Health Care Limited	4.74 %	12,737.5	24.58%	4,737.9	(0.04)%	(3.2)	17.78%	4,734.7
Auronext Pharma Private Limited	0.86 %	2,318.0	-0.18%	(34.5)	0.00%	-	-0.13%	(34.5)
Auro Peptides Limited	(0.57)%	(1,519.8)	-0.73%	(141.5)	-0.01%	(0.6)	-0.53%	(142.1)
Auro Pharma India Private Limited	0.00 %	0.7	0.00%	(0.1)	0.00%	-	0.00%	(0.1)
Auroactive Pharma Private Limited	0.29 %	790.0	-0.06%	(11.9)	0.00%	-	-0.04%	(11.9)
Curateq Biologics Private Limited	(2.28)%	(6,113.3)	-28.54%	(5,501.1)	0.04%	3.2	-20.64%	(5,497.9)
Eugia Steriles Private Limited	0.16 %	432.1	-0.02%	(3.6)	0.00%	-	-0.01%	(3.6)
Aurozest Private Limited	0.09 %	254.6	-0.05%	(10.5)	0.00%	-	-0.04%	(10.5)
Aurobindo Antibiotics Private Limited	0.00 %	9.1	0.00%	(0.3)	0.00%	-	0.00%	(0.3)
Eugia Pharma Specialities Limited	4.37 %	11,737.8	13.89%	2,678.0	0.04%	2.6	10.07%	2,680.6
Mviyes Pharma Ventures Private Limited	0.69 %	1,853.4	0.01%	1.6	0.00%	-	0.01%	1.6
Lyfius Pharma Private Limited	0.90 %	2,429.7	-0.58%	(111.9)	0.00%	-	-0.42%	(111.9)
Qule Pharma Private Limited	0.25 %	676.9	-0.15%	(29.7)	0.00%	-	-0.11%	(29.7)
Eugia SEZ Private Limited	(0.14)%	(371.1)	-2.31%	(444.7)	0.02%	1.3	-1.66%	(443.4)
Auro vaccines Private Limited	0.05 %	124.4	-0.58%	(112.2)	0.00%	-	-0.42%	(112.2)
GLS Pharma Limited	0.07 %	191.9	0.05 %	10.3	0.00%	-	0.04 %	10.3
Theranyam Biologics Private Limited	0.00 %	1.0	0.00 %	-	0.00%	-	0.00 %	-
Subsidiaries - Foreign								
APL Pharma Thai Limited	0.07 %	177.2	(0.03)%	(5.5)	0.00%	-	(0.02)%	(5.5)
Aurobindo Pharma Industria Farmaceutica Ltda	0.28 %	761.6	2.55 %	491.0	0.00%	-	1.84 %	491.0
Aurobindo Pharma Produtos Farmaceuticos Ltda	0.09 %	249.1	0.06 %	12.0	0.00%	-	0.05 %	12.0
All Pharma (Shanghai) Trading Company Limited	0.09 %	233.1	0.03 %	5.9	0.00%	-	0.02 %	5.9
Helix Healthcare B.V.	10.34 %	27,760.0	2.34 %	450.6	0.00%	-	1.69 %	450.6
Agile Pharma B.V.	3.37 %	9,049.4	1.04 %	199.6	0.00%	-	0.75 %	199.6
Auro Pharma Inc.	0.65 %	1,735.9	1.01 %	194.9	0.00%	-	0.73 %	194.9
Aurobindo Pharma (Pty) Limited	0.10 %	266.4	0.14 %	27.8	0.00%	-	0.10 %	27.8
Aurobindo Pharma Japan K.K.	0.07 %	184.2	0.28 %	54.7	0.00%	-	0.21 %	54.7
Laboratorios Aurobindo, S.L.	0.07 %	190.2	(0.10)%	(19.6)	0.00%	-	(0.07)%	(19.6)
Aurobindo Pharma (Italia) S.r.l	0.26 %	697.2	0.64 %	122.7	0.00%	-	0.46 %	122.7
Aurobindo Pharma GmbH	0.00 %	-	0.00 %	-	0.00%	-	0.00 %	-
Aurobindo Pharma (Romania) S.r.l	0.01 %	13.7	(1.61)%	(309.6)	0.00%	-	(1.16)%	(309.6)
Aurovida Farmaceutica S.A. de C.V.	0.25 %	668.7	0.68 %	131.1	0.00%	-	0.49 %	131.1
Aurobindo Pharma Colombia S.A.S.	0.13 %	354.3	(0.30)%	(57.0)	0.00%	-	(0.21)%	(57.0)
Pharmacin B.V. (formerly Aurex B.V.)	0.03 %	70.4	0.03 %	6.2	0.00%	-	0.02 %	6.2
Aurobindo Pharma USA Inc.	21.04 %	56,492.8	8.01 %	1,544.0	-1.42%	(104.1)	5.41 %	1,439.9
Aurolife Pharma LLC	3.60 %	9,674.5	(6.08)%	(1,171.1)	0.00%	-	(4.40)%	(1,171.1)
Eugia US LLC	2.98 %	8,009.3	2.77 %	534.0	0.00%	-	2.01 %	534.0
Auro Health LLC	0.74 %	1,976.4	1.39 %	268.8	0.00%	-	1.01 %	268.8
Natrol LLC	0.00 %	-	0.00 %	-	0.00%	-	0.00 %	-
Auro AR LLC	0.00 %	8.2	0.00 %	-	0.00%	-	0.00 %	-

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for the year ended March 31, 2023

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45 ADDITIONAL STATUTORY INFORMATION IN RESPECT OF THE COMPONENTS OF APL AND ITS CONSOLIDATED ENTITIES (Contd.)

Name of the entity	As at and for the year ended March 31, 2022							
	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated OCI	Amount	As % of total comprehensive income	Amount
Parent - Aurobindo Pharma Limited	69.66 %	171,173.5	54.95 %	14,547.1	0.65 %	16.9	50.07 %	14,564.0
Subsidiaries - Indian								
APL Health Care Limited	3.53 %	8,676.3	15.10 %	3,998.1	152.36 %	3,986.5	27.45 %	7,984.6
Auronext Pharma Private Limited	0.96 %	2,352.6	(0.26)%	(68.0)	0.00 %	-	(0.23)%	(68.0)
Auro Peptides Limited	(0.56)%	(1,377.7)	(1.29)%	(342.1)	0.04 %	1.1	(1.17)%	(341.0)
Auro Pharma India Private Limited	0.00 %	0.7	0.00 %	(0.1)	0.00 %	-	0.00 %	(0.1)
Auroactive Pharma Private Limited	0.09 %	221.90	(0.03)%	(7.90)	0.00 %	-	(0.03)%	(7.90)
Curateq Biologics Private Limited	(0.79)%	(1,932.70)	(11.79)%	(3,120.00)	0.01 %	0.30	(10.73)%	(3,119.70)
Eugia Steriles Private Limited	0.18 %	435.70	(0.01)%	(2.20)	0.00 %	-	(0.01)%	(2.20)
Aurozest Private Limited	0.00 %	0.90	0.00 %	(0.10)	0.00 %	-	0.00 %	(0.10)
Aurobindo Antibiotics Private Limited	0.00 %	9.40	0.00 %	(0.50)	0.00 %	-	0.00 %	(0.50)
Eugia Pharma Specialities Limited	3.69 %	9,057.10	10.61 %	2,809.70	(0.06)%	(1.70)	9.65 %	2,808.00
Mviyes Pharma Ventures Private Limited	0.75 %	1,851.80	0.00 %	(0.30)	0.00 %	-	0.00 %	(0.30)
Lyfius Pharma Private Limited	0.00 %	(2.20)	(0.01)%	(2.80)	0.00 %	-	(0.01)%	(2.80)
Qule Pharma Private Limited	0.00 %	0.60	0.00 %	(0.30)	0.00 %	-	0.00 %	(0.30)
Eugia SEZ Private Limited	0.03 %	72.30	(0.53)%	(141.40)	(0.05)%	(1.30)	(0.49)%	(142.70)
Auro vaccines Private Limited	(0.38)%	(945.70)	(3.59)%	(950.00)	0.13 %	3.30	(3.25)%	(946.70)
GLS Pharma Limited	0.00 %	-	0.00 %	-	0.00 %	-	0.00 %	-
Theranyam Biologics Private Limited	0.00 %	-	0.00 %	-	0.00 %	-	0.00 %	-
Subsidiaries - Foreign								
APL Pharma Thai Limited	0.07 %	173.7	(0.01)%	(1.6)	0.00 %	-	(0.01)%	(1.6)
Aurobindo Pharma Industria Farmaceutica Ltda	0.78 %	1,906.4	2.31 %	611.1	0.00 %	-	2.10 %	611.1
Aurobindo Pharma Produtos Farmaceuticos Ltda	0.09 %	232.4	0.05 %	13.6	0.00 %	-	0.05 %	13.6
All Pharma (Shanghai) Trading Company Limited	0.09 %	226.9	(0.06)%	(15.3)	0.00 %	-	(0.05)%	(15.3)
Helix Healthcare B.V.	10.45 %	25,684.7	1.60 %	424.3	0.00 %	-	1.46 %	424.3
Agile Pharma B.V.	3.39 %	8,319.8	(0.01)%	(2.3)	0.00 %	-	(0.01)%	(2.3)
Auro Pharma Inc.	0.63 %	1,536.3	0.48 %	128.1	0.00 %	-	0.44 %	128.1
Aurobindo Pharma (Pty) Limited	0.11 %	276.7	(0.14)%	(37.2)	0.00 %	-	(0.13)%	(37.2)
Aurobindo Pharma Japan K.K.	0.05 %	128.6	0.08 %	22.1	0.00 %	-	0.08 %	22.1
Laboratorios Aurobindo, S.L.	0.08 %	198.8	0.08 %	22.0	0.00 %	-	0.08 %	22.0
Aurobindo Pharma (Italia) S.r.l	0.11 %	280.0	0.12 %	31.9	0.00 %	-	0.11 %	31.9
Aurobindo Pharma GmbH	0.00 %	-	0.19 %	49.6	0.00 %	-	0.17 %	49.6
Aurobindo Pharma (Romania) S.r.l	(0.02)%	(53.2)	(0.31)%	(81.6)	0.00 %	-	(0.28)%	(81.6)
Aurovida Farmaceutica S.A. de C.V.	0.18 %	436.4	0.46 %	120.5	0.00 %	-	0.41 %	120.5
Aurobindo Pharma Colombia S.A.S.	0.19 %	466.0	0.26 %	69.2	0.00 %	-	0.24 %	69.2
Pharmacin B.V. (formerly Aurex B.V.)	0.02 %	60.1	0.08 %	21.6	0.00 %	-	0.07 %	21.6
Aurobindo Pharma USA Inc.	21.04 %	51,693.1	11.95 %	3,162.5	1.97 %	51.5	11.05 %	3,214.0
Aurolife Pharma LLC	3.99 %	9,812.6	(1.30)%	(343.0)	0.00 %	-	(1.18)%	(343.0)
Eugia US LLC	2.80 %	6,882.8	8.67 %	2,293.9	0.00 %	-	7.89 %	2,293.9
Auro Health LLC	0.64 %	1,569.1	1.62 %	427.7	0.00 %	-	1.47 %	427.7
Natrol LLC	0.00 %	-	0.00 %	-	0.00 %	-	0.00 %	-
Auro AR LLC	0.00 %	7.6	-	-	0.00 %	-	0.00 %	-

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Name of the entity	As at and for the year ended March 31, 2023							
	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated OCI	Amount	As % of total comprehensive income	Amount
Aurobindo Pharma USA LLC	0.00 %	-	0.00 %	-	0.00%	-	0.00 %	-
Auro Vaccines LLC	(1.23)%	(3,301.6)	(2.43)%	(468.0)	0.00%	-	(1.76)%	(468.0)
AuroLogistics LLC	0.12 %	316.3	0.30 %	57.1	0.00%	-	0.21 %	57.1
Acrotech Biopharma LLC	2.35 %	6,322.7	12.90 %	2,486.9	0.00%	-	9.34 %	2,486.9
Auro Science LLC	0.00 %	-	0.00 %	-	0.00%	-	0.00 %	-
Auroscience PTY Ltd, Australia	0.00 %	-	(0.53)%	(102.1)	0.00%	-	(0.38)%	(102.1)
Auro Packaging LLC	(0.01)%	(40.1)	(0.90)%	(173.3)	0.00%	-	(0.65)%	(173.3)
Auro Steriles LLC	0.00 %	-	0.00 %	-	0.00%	-	0.00 %	-
Vespyr Brands, Inc (formerly known as Nurya Brands Inc)	0.00 %	3.9	(0.08)%	(16.0)	0.00%	-	(0.06)%	(16.0)
Eugia US Manufacturing LLC	(0.15)%	(390.9)	(0.79)%	(151.8)	0.00%	-	(0.57)%	(151.8)
Eugia Injectable Inc	0.00 %	-	0.00 %	-	0.00%	-	0.00 %	-
Eugia Inc	2.78 %	7,462.8	0.00 %	-	0.00%	-	0.00 %	-
Aurex B.V. (formerly Pharmacin B.V.)	0.11 %	307.8	(0.13)%	(24.4)	0.00%	-	(0.09)%	(24.4)
Milpharm Limited	1.07 %	2,875.5	2.27 %	438.1	0.00%	-	1.65 %	438.1
Aurobindo Pharma (Malta) Limited	0.25 %	661.9	(0.14)%	(27.7)	0.00%	-	(0.10)%	(27.7)
APL Swift Services (Malta) Limited	0.22 %	590.4	0.28 %	54.3	0.00%	-	0.20 %	54.3
Arrow Generiques SAS	2.28 %	6,129.7	3.07 %	590.8	0.00%	-	2.22 %	590.8
1980 Puren Pharma GmbH (formerly Actavis Management GmbH), Germany	0.00 %	5.0	0.00 %	-	0.00%	-	0.00 %	-
Puren Pharma GmbH (formerly Actavis Deutschland GmbH & Co., KG, Germany)	0.59 %	1,573.4	1.59 %	307.1	0.00%	-	1.15 %	307.1
Aurovitas Spain SA	0.82 %	2,191.0	0.77 %	147.7	0.00%	-	0.55 %	147.7
Aurovitas Pharma Polska	0.33 %	880.5	(1.63)%	(314.3)	0.00%	-	(1.18)%	(314.3)
Aurobindo Pharma B.V. (formerly Actavis B.V.)	1.65 %	4,443.2	5.04 %	970.8	0.00%	-	3.65 %	970.8
Generis Farmaceutica S.A.	2.84 %	7,631.0	2.00 %	385.5	0.00%	-	1.45 %	385.5
Generis Phar, Unipessoal Lda	0.00 %	0.5	0.00 %	-	0.00%	-	0.00 %	-
Aurogen South Africa (PTY) Ltd	0.57 %	1,519.9	0.44 %	84.1	0.00%	-	0.32 %	84.1
Aurobindo Pharma Saudi Arabia Limited Company	0.16 %	433.4	(0.25)%	(48.6)	0.00%	-	(0.18)%	(48.6)
Aurovitas Pharma (Taizhou) Ltd	1.01 %	2,715.3	(0.35)%	(67.4)	0.00%	-	(0.25)%	(67.4)
Aurobindo Pharma FZ-LLC	0.00 %	0.8	(0.15)%	(28.8)	0.00%	-	(0.11)%	(28.8)
Aurosulud SA De CV	0.00 %	(6.1)	(0.03)%	(5.7)	0.00%	-	(0.02)%	(5.7)
Auro PR Inc	0.33 %	890.7	(0.02)%	(4.8)	0.00%	-	(0.02)%	(4.8)
Eugia Pharma INC, Canada	0.00 %	12.1	(0.02)%	(4.2)	0.00%	-	(0.02)%	(4.2)
Eugia Pharma (Australia) PTY Limited	0.00 %	4.2	(0.14)%	(27.3)	0.00%	-	(0.10)%	(27.3)
Eugia Pharma Industria Farmaceutica Limitada	0.01 %	32.4	(0.09)%	(16.9)	0.00%	-	(0.06)%	(16.9)
Auro PR LLC	0.00 %	-	0.00 %	-	0.00%	-	0.00 %	-
Aurobindo Pharma Ukraine LLC	0.00 %	-	0.00 %	-	0.00%	-	0.00 %	-
Eugia Pharma Colombia S.A.S.	0.00 %	8.8	0.00 %	-	0.00%	-	0.00 %	-
Apotex N.V.	0.00 %	-	0.00 %	-	0.00%	-	0.00 %	-
Aurovitas Spol s.r.o (Formerly Apotex (CR) Spol s.r.o.)	0.18 %	477.3	(1.07)%	(205.8)	0.00%	-	(0.77)%	(205.8)
Apotex Europe B.V.	0.21 %	574.4	0.03 %	5.7	0.00%	-	0.02 %	5.7
Aurovitas Nederland B.V	(0.52)%	(1,383.1)	(0.34)%	(65.0)	0.00%	-	(0.24)%	(65.0)
Sameko Farma B.V.	0.00 %	-	0.00 %	-	0.00%	-	0.00 %	-

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Name of the entity	As at and for the year ended March 31, 2022							
	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated OCI	Amount	As % of total comprehensive income	Amount
Aurobindo Pharma USA LLC	-	-	-	-	0.00 %	-	0.00 %	-
Auro Vaccines LLC	(1.06)%	(2,603.2)	(6.01)%	(1,591.5)	0.00 %	-	(5.47)%	(1,591.5)
AuroLogistics LLC	0.10 %	237.8	0.29 %	76.0	0.00 %	-	0.26 %	76.0
Acrotech Biopharma LLC	1.42 %	3,482.3	4.21 %	1,115.1	0.00 %	-	3.83 %	1,115.1
Auro Science LLC	-	-	-	-	0.00 %	-	-	-
Auroscience PTY Ltd, Australia	0.03 %	78.8	(2.19)%	(579.7)	(0.63)%	(17)	-2.05%	(596.3)
Auro Packaging LLC	0.05 %	126.7	0.10 %	26.3	0.00 %	-	0.09%	26.3
Auro Steriles LLC	0.00 %	-	0.00 %	-	0.00 %	-	0.00%	-
Vespyr Brands, Inc (formerly known as Nurya Brands Inc)	0.01 %	18.8	(0.07)%	(18.8)	0.00 %	-	-0.06%	(18.8)
Eugia US Manufacturing LLC	0.00 %	-	0.00 %	-	0.00 %	-	0.00%	-
Eugia Injectable Inc	0.00 %	-	0.00 %	-	0.00 %	-	0.00%	-
Eugia Inc	0.00 %	0.8	0.00 %	-	0.00 %	-	0.00%	-
Aurex B.V. (formerly Pharmacin B.V.)	0.13 %	314.5	(0.05)%	(13.6)	0.00 %	-	(0.05)%	(13.6)
Milpharm Limited	0.96 %	2,362.7	1.22 %	322.4	0.00 %	-	1.11 %	322.4
Aurobindo Pharma (Malta) Limited	0.26 %	651.2	(0.03)%	(7.2)	0.00 %	-	(0.02)%	(7.2)
APL Swift Services (Malta) Limited	0.20 %	501.1	0.15 %	40.4	0.00 %	-	0.14 %	40.4
Arrow Generiques SAS	2.11 %	5,176.1	1.99 %	525.9	0.00 %	-	1.81 %	525.9
1980 Puren Pharma GmbH (formerly Actavis Management GmbH), Germany	0.00 %	4.7	0.00 %	0.1	0.00 %	-	0.00 %	0.1
Puren Pharma GmbH (formerly Actavis Deutschland GmbH & Co., KG, Germany)	0.70 %	1,714.4	2.10 %	556.8	0.00 %	-	1.91 %	556.8
Aurovitas Spain SA	0.78 %	1,914.2	0.51 %	135.6	0.00 %	-	0.47 %	135.6
Aurovitas Pharma Polska	0.33 %	808.7	0.98 %	258.3	0.00 %	-	0.89 %	258.3
Aurobindo Pharma B.V. (formerly Actavis B.V.)	1.30 %	3,205.0	3.48 %	920.4	0.00 %	-	3.16 %	920.4
Generis Farmaceutica S.A.	2.77 %	6,796.7	(1.03)%	(272.2)	0.00 %	-	(0.94)%	(272.2)
Generis Phar, Unipessoal Lda	0.00 %	0.5	0.00 %	-	0.00 %	-	0.00 %	-
Aurogen South Africa (PTY) Ltd	0.66 %	1,626.9	0.45 %	117.9	0.00 %	-	0.41 %	117.9
Aurobindo Pharma Saudi Arabia Limited Company	0.18 %	445.9	(0.23)%	(60.3)	0.00 %	-	(0.21)%	(60.3)
Aurovitas Pharma (Taizhou) Ltd	1.13 %	2,781.7	(0.15)%	(38.7)	0.00 %	-	(0.13)%	(38.7)
Aurobindo Pharma FZ-LLC	0.01 %	27.9	(0.02)%	(4.2)	0.00 %	-	(0.01)%	(4.2)
Aurosulud SA De CV	0.00 %	-	0.00 %	-	0.00 %	-	0.00 %	-
Auro PR Inc	0.19 %	454.8	0.00 %	-	0.00 %	-	0.00 %	-
Eugia Pharma INC, Canada	0.00 %	(8.2)	(0.03)%	(8.1)	0.00 %	-	(0.03)%	(8.1)
Eugia Pharma (Australia) PTY Limited	0.00 %	-	0.00 %	-	0.00 %	-	0.00 %	-
Eugia Pharma Industria Farmaceutica Limitada	0.00 %	-	0.00 %	-	0.00 %	-	0.00 %	-
Auro PR LLC	0.00 %	-	0.00 %	-	0.00 %	-	0.00 %	-
Aurobindo Pharma Ukraine LLC	0.00 %	-	0.00 %	-	0.00 %	-	0.00 %	-
Eugia Pharma Colombia S.A.S.	0.00 %	-	0.00 %	-	0.00 %	-	0.00 %	-
Apotex N.V.	0.00 %	-	0.00 %	-	0.00 %	-	0.00 %	-
Aurovitas Spol s.r.o (Formerly Apotex (CR) Spol s.r.o.)	0.26 %	637.2	0.25 %	66.2	0.00 %	-	0.23 %	66.2
Apotex Europe B.V.	0.22 %	535.1	(0.01)%	(1.9)	0.00 %	-	(0.01)%	(1.9)
Aurovitas Nederland B.V	(0.50)%	(1,236.8)	(0.06)%	(16.4)	0.00 %	-	(0.06)%	(16.4)
Sameko Farma B.V.	-	-	-	-	0.00 %	-	0.00 %	-

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for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Name of the entity	As at and for the year ended March 31, 2023							
	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated OCI	Amount	As % of total comprehensive income	Amount
Leidapharm B.V.	0.00 %	-	0.00 %	-	0.00%	-	0.00 %	-
Marel B.V.	0.00 %	-	0.00 %	-	0.00%	-	0.00 %	-
Pharma Dossier B.V.	0.00 %	-	0.00 %	-	0.00%	-	0.00 %	-
CuraTeQ Biologics GmbH	0.00 %	-	0.00 %	-	0.00%	-	0.00 %	-
Aurobindo NV/SA	0.21 %	558.6	(0.18)%	(35.4)	0.00%	-	(0.13)%	(35.4)
CuraTeQ Biologics s.r.o.	0.05 %	141.4	(0.05)%	(10.4)	0.00%	-	(0.04)%	(10.4)
Eugia Pharma B.V.	0.55 %	1,488.0	2.21 %	426.6	0.00%	-	1.60 %	426.6
Eugia Pharma (Malta) Limited, Malta	0.32 %	849.8	1.62 %	313.2	0.00%	-	1.18 %	313.2
PT Aurogen Pharma Indonesia	0.00 %	11.7	(0.03)%	(5.2)	0.00%	-	(0.02)%	(5.2)
Eugia (UK) Limited	0.02 %	41.4	(0.01)%	(1.3)	0.00%	-	0.00 %	(1.3)
Non-controlling interests - Foreign								
Aurobindo Pharma Industria Farmaceutica Ltd	0.00 %	1.7	(0.01)%	(2.3)	0.00 %	-	(0.01)%	(2.3)
APL Pharma Thai Limited	0.01 %	25.5	0.00 %	(0.1)	0.00 %	-	0.00 %	(0.1)
Non-controlling interests - Indian								
Auro Peptides Ltd	(0.02)%	(49.9)	(0.01)%	(1.0)	0.00 %	-	0.00 %	(1.0)
GLS Pharma Limited	0.05 %	142.7	0.03 %	4.9	0.00 %	-	0.02 %	4.9
Joint Ventures and associates (accounted under equity method)								
Joint Ventures - Foreign								
Novagen Pharma (Pty) Ltd	N.A*	N.A*	(0.23)%	(43.4)	N.A*	N.A*	(0.16)%	(43.4)
Purple Bellflower (Pty) Ltd	N.A*	N.A*	0.01 %	2.6	N.A*	N.A*	0.01 %	2.6
Luoxin Aurovitas Pharm (Chengdu) Co. Ltd.	N.A*	N.A*	(0.21)%	(40.7)	N.A*	N.A*	(0.15)%	(40.7)
Longxiang Pharma Taizhou Co. Ltd	N.A*	N.A*	0.00 %	-	N.A*	N.A*	0.00 %	-
Novagen BBBEE Invest Co (Pty) Ltd	N.A*	N.A*	-	-	N.A*	N.A*	-	-
Joint Ventures - Indian								
Tergene Biotech Limited	N.A*	N.A*	(0.23)%	(43.9)	0.00 %	0.20	(0.16)%	(43.7)
Raidurgam Developers Limited	N.A*	N.A*	0.02 %	4.6	0.00 %	-0.10	0.02 %	4.5
Associates - Indian								
NVNR (Ramannapet I) Power Plant Private Limited	N.A*	N.A*	(0.03)%	(5.90)	0.00 %	-	(0.02)%	(5.9)
NVNR (Ramannapet II) Power Plant Private Limited	N.A*	N.A*	(0.03)%	(6.10)	0.00 %	-	(0.02)%	(6.1)
Total	137.48%	369,301.2	104.47%	20,141.1	-0.57%	(42.0)	75.56%	20,099.1
Consolidation adjustments	(37.48)%	(100,782.7)	(4.47)%	(866.1)	100.57 %	7,397.8	24.44 %	6,531.7
Net amount	100.00%	268,518.5	100.00%	19,275.0	100.00%	7,355.8	100.00%	26,630.8

*Not Applicable

Note:

- The disclosure as above represents separate information for each of the consolidated entities before elimination of inter-company transactions. The net impacts on elimination of inter company transactions / profits / Consolidation adjustments have been disclosed separately. Based on the group structure, the management is of the view that the above disclosure is appropriate under requirements of The Companies Act, 2013.
- Percentages below 0.01% have been disclosed as 0.00%.

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for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Name of the entity	As at and for the year ended March 31, 2022							
	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated OCI	Amount	As % of total comprehensive income	Amount
Leidapharm B.V.	-	-	-	-	0.00 %	-	0.00 %	-
Marel B.V.	-	-	-	-	0.00 %	-	0.00 %	-
Pharma Dossier B.V.	-	-	-	-	0.00 %	-	0.00 %	-
CuraTeQ Biologics GmbH	0.00 %	-	(0.01)%	(2.9)	0.00 %	-	(0.01)%	(2.9)
Aurobindo NV/SA	0.11 %	275.3	0.05 %	13.9	0.00 %	-	0.05 %	13.9
CuraTeQ Biologics s.r.o.	0.01 %	36.2	(0.04)%	(11.1)	0.00 %	-	(0.04)%	(11.1)
Eugia Pharma B.V.	0.17 %	423.6	(0.03)%	(6.9)	0.00 %	-	(0.02)%	(6.9)
Eugia Pharma (Malta) Limited, Malta	0.15 %	369.5	(0.04)%	(9.6)	0.00 %	-	(0.03)%	(9.6)
PT Aurogen Pharma Indonesia	-	-	-	-	0.00 %	-	0.00 %	-
Eugia (UK) Limited	0.00 %	-	0.00 %	-	0.00 %	-	0.00 %	-
Non-controlling interests - Foreign								
Aurobindo Pharma Industria Farmaceutica Ltd	0.00 %	4.0	0.00 %	1.2	0.00 %	-	0.00 %	1.2
APL Pharma Thai Limited	0.01 %	25.6	0.00 %	-	0.00 %	-	0.00 %	-
Non-controlling interests - Indian								
Auro Peptides Ltd	(0.02)%	(48.8)	(0.04)%	(11.6)	0.00 %	-	(0.04)%	(11.6)
GLS Pharma Limited	0.00 %	-	0.00 %	-	0.00 %	-	0.00 %	-
Joint Ventures and associates (accounted under equity method)								
Joint Ventures - Foreign								
Novagen Pharma (Pty) Ltd	N.A*	N.A*	(0.10)%	(26.2)	N.A*	N.A*	(0.09)%	(26.2)
Purple Bellflower (Pty) Ltd	N.A*	N.A*	-	2.8	N.A*	N.A*	0.01 %	2.8
Luoxin Aurovitas Pharm (Chengdu) Co. Ltd.	N.A*	N.A*	-	(14.9)	N.A*	N.A*	(0.0)	(14.9)
Longxiang Pharma Taizhou Co. Ltd	N.A*	N.A*	-	(28.5)	N.A*	N.A*	(0.10)%	(28.5)
Novagen BBBEE Invest Co (Pty) Ltd	N.A*	N.A*	-	-	N.A*	N.A*	0.00 %	-
Joint Ventures - Indian								
Tergene Biotech Limited	N.A*	N.A*	(0.21)%	(54.9)	N.A*	N.A*	(0.19)%	(54.9)
Raidurgam Developers Limited	N.A*	N.A*	(0.72)%	(190.9)	N.A*	N.A*	(0.66)%	(190.9)
Associates - Indian								
NVNR (Ramannapet I) Power Plant Private Limited	-	-	-	-	-	-	-	-
NVNR (Ramannapet II) Power Plant Private Limited	-	-	-	-	-	-	-	-
Total	134.53%	330,594.2	94.02%	24,855.9	154.42%	4,040.0	99.35%	28,895.9
Consolidation adjustments	(34.53)%	(84,853.7)	5.98 %	1,615.2	(54.42)%	(1,423.5)	0.65 %	191.7
Net amount	100.00%	245,740.5	100.00%	26,471.1	100.00%	2,616.5	100.00%	29,087.6

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

46 CONTRIBUTION TO POLITICAL PARTIES AS PER SECTION 182 OF COMPANIES ACT, 2013. (INCLUDED IN MISCELLANEOUS EXPENSES)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Donations:		
- Political parties	1.3	2.7
- Electoral bonds (in accordance with the Electoral Bond Scheme notified by the Government of India)	215.0	55.0

47 EXCEPTIONAL ITEMS

Exceptional items represent the following items which have been credited/(debited) to consolidated statement of profit and loss.

	For the year ended March 31, 2023	For the year ended March 31, 2022
Gain on sale of tangible assets*	-	1,160.3
Impairment of intangible assets and goodwill**	-	(1,490.0)
Impairment of capital work in progress**	-	(950.0)
	-	(1,279.7)

*Gain on sale and lease back of Group's real estate property situated in Dayton, New Jersey, USA.

**Due to uncertain regulatory development and change in business plan certain goodwill, intangible assets, capital work in progress relating to certain products, the Group recorded an impairment charge of ₹ Nil (March 31, 2022: ₹2,440.0)

48 CAPITAL WORK IN PROGRESS AGEING SCHEDULE (REFER NOTE 3(B))

As at March 31, 2023

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					
- Aurobindo Pharma Ltd	1,422.2	896.7	64.1	-	2,383.0
- Curateq Biologics Pvt Ltd India	945.8	582.0	441.7	3,212.1	5,181.6
- Lyfius Pharma Private Limited	6,929.0	108.5	1.6	-	7,039.1
- Aurobindo Pharma USA Inc	1,985.6	1,558.5	1,178.8	3,974.2	8,697.1
- Eugia Inc USA	1,285.4	1,793.4	706.3	1,176.2	4,961.3
- Aurovitas Taizhou	2,783.5	2,402.0	899.8	-	6,085.3
Projects temporarily suspended	Nil	Nil	Nil	Nil	Nil
Total	15,351.5	7,341.1	3,292.3	8,362.5	34,347.4

For Capital Work in Progress, whose completion is overdue compared to its Original Plan

Projects in Progress

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Aurobindo Pharma USA	4,917.2	3,717.1	-	-	8,634.3
Total	4,917.2	3,717.1	-	-	8,634.3

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

As at March 31, 2022

Particulars	Amount in capital work-in progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
- Aurobindo Pharma Ltd	2,093.4	150.2	-	-	2,243.6
- Curateq Biologics Pvt Ltd India	622.4	488.5	462.5	2,713.3	4,286.7
- Aurobindo Pharma USA Inc	3,667.5	1,559.8	2,719.2	3,060.0	11,006.5
- Aurovitas Taizhou	1,480.0	2,413.8	901.5	-	4,795.3
Projects temporarily suspended	Nil	Nil	Nil	Nil	Nil
Total	7,863.3	4,612.3	4,083.2	5,773.3	22,332.1

For Capital Work in Progress, whose completion is overdue compared to its Original Plan

Projects in Progress

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Aurobindo Pharma USA Inc.,	7,581.9	3,390.6	-	-	10,972.5
Total	7,581.9	3,390.6	-	-	10,972.5

Capital Work in Progress ageing is being reported only for those components which are material to the group i.e. more than 10% of the total.

49 INTANGIBLE ASSET UNDER DEVELOPMENT AGEING SCHEDULE (REFER NOTE 6(B))

As at March 31, 2023

Particulars	Amount in intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
- Eugia Pharma Specialities Limited	546.6	450.6	449.7	1,534.9	2,981.8
- Aurobindo Pharma USA Inc	1,847.4	1,562.2	353.1	596.0	4,358.7
Projects temporarily suspended	-	-	-	-	-
Total	2,394.0	2,012.8	802.8	2,130.9	7,340.5

As at March 31, 2022

Particulars	Amount in intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
- Eugia Pharma Specialities Limited	622.5	970.8	998.9	584.0	3,176.2
- Aurobindo Pharma USA Inc	2,729.8	325.7	66.1	487.4	3,609.0
Projects temporarily suspended	-	-	-	-	-
Total	3,352.3	1,296.5	1,065.0	1,071.4	6,785.2

Intangible asset under development ageing is being reported only for those components which are material to the group i.e. more than 10% of the total.

Note : The group does not have any intangible assets under development which is overdue or has exceeded its cost compared to its original plan and hence intangible assets under development completion schedule is not applicable.

Notes to Consolidated Financial Statements

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(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

50 NON CURRENT TRADE RECEIVABLES AGEING SCHEDULE (REFER NOTE 9(A))

As at March 31, 2023

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	4.5	428.5	433.0
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	-	-	-	-	4.5	428.5	433.00

As at March 31, 2022

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	4.9	353.7	358.6
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	-	-	-	-	4.9	353.7	358.6

CURRENT TRADE RECEIVABLES AGEING SCHEDULE (REFER NOTE 9(B))

As at March 31, 2023

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	35,457.4	8,270.5	117.9	22.5	342.6	139.3	44,350.2
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	49.8	149.0	95.9	150.6	48.8	517.7	1,011.8
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	313.6	-	-	313.6
(vi) Disputed Trade Receivables – credit impaired	-	-	83.2	64.8	-	56.8	204.8
Total	35,507.2	8,419.5	297.0	551.5	391.4	713.8	45,880.4

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for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

As at March 31, 2022

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	29,046.5	9,808.2	410.8	209.7	159.8	169.9	39,804.9
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	12.0	118.2	87.5	110.6	157.9	365.7	851.9
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	317.7	-	-	317.7
(vi) Disputed Trade Receivables – credit impaired	-	6.2	-	-	-	63.2	69.4
Total	29,058.5	9,932.6	498.3	638.0	317.7	598.8	41,043.9

51. TRADE PAYABLES AGEING SCHEDULE (REFER NOTE 20)

As at March 31, 2023

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2 - 3 years	more than 3 years	
(i) MSME	593.4	29.1	0.2	-	-	622.7
(ii) Others	29,386.1	8,290.5	317.4	37.0	59.4	38,090.4
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total	29,979.5	8,319.6	317.6	37.0	59.4	38,713.1

As at March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2 - 3 years	more than 3 years	
(i) MSME	368.8	14.6	1.1	0.2	-	384.7
(ii) Others	21,115.4	5,228.7	204.4	51.7	45.6	26,645.8
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total	21,484.2	5,243.3	205.5	51.9	45.6	27,030.5

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(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

52. SHARES HELD BY PROMOTERS AT THE END OF THE YEAR (REFER NOTE 16)

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

Promoter name	March 31, 2023		March 31, 2022		% change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
M Sivakumaran	14,491,360	2.47%	14,491,360	2.47%	-
Kattamanchi Rajeshwari	1,825,500	0.31%	1,825,500	0.31%	-
Penaka Suneela Rani	130,000	0.02%	130,000	0.02%	-
K Nithyananda Reddy	25,359,572	4.33%	25,359,572	4.33%	-
Prasada Reddy Kambham	301,156	0.05%	301,156	0.05%	-
K Suryaprakash Reddy	7,380	0.00%	7,380	0.00%	-
M Sumanth Kumar Reddy	1,600,000	0.27%	1,600,000	0.27%	-
Kirthi Reddy Kambam	20,450,000	3.49%	20,450,000	3.49%	-
Kambam Spoorthi	7,000,000	1.19%	7,000,000	1.19%	-
Venkata Ramprasad Reddy Penaka	18,000,000	3.07%	18,000,000	3.07%	-
Trident Chemphar Limited	789,537	0.13%	789,537	0.13%	-
Axis Clinicals Limited	658,000	0.11%	658,000	0.11%	-
RPR Sons Advisors Private Limited, Mrs. P. Suneela Rani (jointly holding)	196,376,250	33.51%	196,376,250	33.51%	-
Auryn Labs (Axis Clinicals Ltd, Trident Chemphar Ltd & RPR Sons Advisors Pvt. Ltd jointly)	16,726,716	2.85%	16,726,716	2.85%	-
	303,715,471	51.83%	303,715,471	51.83%	0.00

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

Promoter name	March 31, 2022		March 31, 2021		% change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
M Sivakumaran	14,491,360	2.47%	14,491,360	2.47%	-
Kattamanchi Rajeshwari	1,825,500	0.31%	1,825,500	0.31%	-
Penaka Neha Reddy	-	0.00%	130,000	0.02%	(100.00)
Penaka Suneela Rani	130,000	0.02%	-	-	100.00
K Nityananda Reddy	25,359,572	4.33%	25,359,572	4.33%	-
Prasada Reddy Kambham	301,156	0.05%	301,156	0.05%	-
K Suryaprakash Reddy	7,380	0.00%	7,380	0.00%	-
M Sumanth Kumar Reddy	1,600,000	0.27%	1,600,000	0.27%	-
Kirthi Reddy Kambam	20,450,000	3.49%	20,450,000	3.49%	-
Kambam Spoorthi	7,000,000	1.19%	7,600,000	1.30%	(7.89)
Venkata Ramprasad Reddy Penaka	18,000,000	3.07%	18,000,000	3.07%	-
Trident Chemphar Limited	789,537	0.13%	789,537	0.13%	-
Axis Clinicals Limited	658,000	0.11%	658,000	0.11%	-
RPR Sons Advisors Private Limited, Mrs. P. Suneela Rani (jointly holding)	196,376,250	33.51%	196,376,250	33.51%	-
Axis Clinicals Limited, Trident Chemphar Limited, RPR Sons Advisors Pvt. Ltd. (jointly holding)	16,726,716	2.85%	16,726,716	2.85%	-
	303,715,471	51.83%	304,315,471	51.94%	(0.11)

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

53. SEGMENT INFORMATION

a) Identification of Reportable Segments:

Segments are identified in line with Indian Accounting Standard (Ind AS) 108 "Operating Segments", taking into consideration the internal organisation and management structure as well as the differential risk and returns of each of the segments. Operating segments are components of the Group whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance and for which discrete information is available. Based on the Group's business model of vertical integration, pharmaceuticals have been considered as a single business segment for the purpose of making decisions on allocation of resources and assessing its performance. Hence, no separate financial disclosures provided in respect of its single business segment.

Operations of the Group are managed from independent locations, which are located in different geographical locations. However each of these operating locations are further aggregated based on the following factors: (a) similarity of economic and political conditions; (b) relationships between operations in different geographical areas; (c) proximity of operations; (d) special risks associated with operations in a particular area; (e) exchange control regulations; and (f) the underlying currency risk. Accordingly, the following have been identified as operating and reportable segments: (a) "India", (b) "USA" (c) "Europe" and (d) "Rest of the World".

The geographic information analyses the Group's revenues and non-current assets by the components' country of domicile and other countries. In presenting geographic information, segment revenue has been based on the location of the customer and segment assets are based on geographical location of assets.

a) Revenue from external customers

	For the year ended March 31, 2023	For the year ended March 31, 2022
India	27,481.5	26,699.9
USA	112,420.8	105,208.0
Europe	72,429.9	78,812.5
Rest of the world	36,221.6	23,834.6
	248,553.8	234,555.0

b) Non-current assets (other than financial instruments and deferred tax assets)

	As at March 31, 2023	As at March 31, 2022
India	103,359.3	86,673.8
USA	41,625.0	39,921.9
Europe	15,082.4	13,989.6
Rest of the world	11,979.5	7,777.2
	172,046.2	148,362.5

c) The Group has no external customer which accounts for more than 10% of the Group's total revenue for the year ended March 31, 2023 and March 31, 2022.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

54. AURONEXT AND MVIYES

The Board of Directors of the Parent Company in their meeting on April 1, 2023, approved the Scheme of Amalgamation of its wholly owned subsidiary Mviyes Pharma Ventures Private Limited ("Mviyes") and Auronext Pharma Private Limited ("Auronext") with the Parent Company subject to necessary approval from the authorities concerned under section 230 and 232 of the Companies Act 2013. Upon approval of the Scheme from the concerned authorities, the undertakings of shall get transferred to and vested in the Parent Company with the Appointed Date of April 1, 2023, or such other date as the Hon'ble National Company Law Tribunal may approve.

55. ADDITIONAL REGULATORY INFORMATION

- There are no proceeding initiated or pending against the Parent Company or its Indian Subsidiaries as at March 31, 2023, under Benami Property Transactions Act, 1988 (as amended in 2016).
- The Parent Company or its Indian subsidiaries are not declared a wilful defaulter by any bank or financial Institution or other lender.
- The Parent Company and its Indian subsidiaries have recorded all transactions in the books of account that has been surrendered. There are no previously unrecorded incomes and related assets that were considered during the year, no unrecorded incomes were identified as income for tax assessments.
- The Parent Company or its Indian subsidiaries have not entered into any transaction with the companies struck off as per Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- The details of funds that have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company or its Indian subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Parent Company or its Indian subsidiaries (Ultimate Beneficiaries).

- a) Date and amount of fund advanced or loaned or invested in Intermediate with complete details:

Purpose	Name of the Funding Company	Name of the Intermediary	Date of remittance	Amount
For onward investment	Aurobindo Pharma Limited	Eugia Pharma Specialities Limited	June 27, 2022	3,330.0
For onward investment	Eugia Pharma Specialities Limited	Eugia Pharma B.V.	April 29, 2022	77.9
For onward investment	Eugia Pharma Specialities Limited	Eugia Pharma B.V.	September 23, 2022	446.1

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

- b) Date and amount of fund further advanced or loaned or invested by such intermediate to other intermediate or Ultimate Beneficiaries along with complete details of the ultimate beneficiary:

Purpose	Name of the Intermediary	Name of the Beneficiary	Date of remittance	Currency	Amount (in document currency)	Amount (in ₹ Million)
For payment of purchase consideration on acquisition of business	Eugia Pharma Specialities Limited	Eugia SEZ Private Limited	June 27, 2022	INR	3,330,000,000	3,330.0
		Eugia Pharma (Malta) Limited	June 29, 2022	EURO	5,000,000	412.9
		Eugia (UK) Limited	June 29, 2022	GBP	420,000	41.2
For the purpose of engaging in the business of pharmaceutical products	Eugia Pharma B.V.	Eugia Pharma Inc.	August 1, 2022	CAD	5,000	0.3
		Eugia Pharma Inc.	October 24, 2022	CAD	400,000	24.5
		Eugia Pharma (Australia) PTY Limited	May 2, 2022	AUD	50,000	2.8
		Eugia Pharma (Australia) PTY Limited	August 22, 2022	AUD	100,000	5.7
		Eugia Pharma (Australia) PTY Limited	November 28, 2022	AUD	425,000	24.0
		Eugia Pharma Industria Farmaceutica Limitada	April 11, 2022	USD	200,000	15.3
		Eugia Pharma Industria Farmaceutica Limitada	October 28, 2022	USD	400,000	33.3
Eugia Pharma Columbia S.A.S.	November 28, 2022	USD	100,000	8.7		

- (vi) Details of funds received from any party (Funding Party) with the understanding that the Parent Company or its Indian subsidiaries shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Parent Company or its Indian subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (a) Date and amount of fund received from any Funding Party with complete details of each Funding Party:

Purpose	Name of the Funding Company	Name of the Intermediary	Date of remittance	Amount
For onward investment	Aurobindo Pharma Limited	Eugia Pharma Specialities Limited	June 27, 2022	3,330.0

- (b) Date and amount of funds lent or invested by in Ultimate Beneficiaries along with complete details of the ultimate beneficiaries:

Purpose	Name of the Funding Company	Name of the Intermediary	Date of remittance	Amount
For payment of purchase consideration on acquisition of business	Eugia Pharma Specialities Limited	Eugia SEZ Private Limited	June 27, 2022	3,330.0

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

- (vii) The Parent Company or its Indian subsidiaries do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
 - (viii) All quarterly returns or statements of current assets are filed by the Parent Company or its Indian subsidiaries with banks or financial institutions and are in agreement with the books of account.
 - (ix) The loan has been utilised by the Parent Company and its Indian subsidiaries for the purpose for which it was obtained and no short term funds have been used for long term purpose.
 - (x) The Parent Company or its Indian subsidiaries have not traded or invested in Crypto currency or virtual currency during the financial year.
 - (xi) No scheme of arrangement has been approved by the competent authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.
 - (xii) The Parent company and its subsidiaries have complied with the number of layers prescribed under the Companies Act, 2013 read with the Companies (Restriction on Number of Layers) Rules, 2017.
- 56.** The consolidated financial statements of the company for the year ended March 31, 2022 were audited by M/s BSR & Associates LLP, Chartered Accountants, the predecessor auditor, who have expressed an unmodified opinion vide their report dated May 30, 2022.
- 57.** In connection with the preparation of the consolidated financial statements for the year ended March 31, 2023, the Board of Directors have confirmed the propriety of the contracts / agreements entered into by / on behalf of the Company and the resultant revenue earned / expenses incurred arising out of the same after reviewing the levels of authorisation and the available documentary evidences and the overall control environment. Further, the Board of Directors have also reviewed the realizable value of all the current assets of the Company and have confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognised in the consolidated financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these consolidated financial statements in its meeting held on May 27, 2023 in accordance with the provisions of Companies Act, 2013.

As per our report of even date attached.
For **Deloitte Haskins & Sells**
Chartered Accountants
ICAI Firm Registration Number: 008072S

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

C Manish Muralidhar
Partner
Membership No: 213649

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

Dr. M. Sivakumaran
Director
DIN-01284320

Santhanam Subramanian
Chief Financial Officer

B. Adi Reddy
Company Secretary
Membership No:13709

Place: Hyderabad
Date: May 27, 2023

Place: Hyderabad
Date: May 27, 2023



REGISTERED OFFICE

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

CORPORATE OFFICE

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

www.aurobindo.com