BSR&Co.LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Westorn Express Highway, Goregson (East), Mumbal - 400 063 Telephone: +91 22 6257 1000 Fax: +91 22 6257 1010

To the Board of Directors of Ajanta Pharma Limited

Report on the Financial Statements

Opinion

At the request of Ajanta Pharma Limited (APL), the Holding Company of Ajanta Pharma USA Inc. ('APUI' or 'the Company'), registered as a limited liability Company in New Jersey, United States of America, we have audited the accompanying financial statements of the Company, which comprise the Balance sheet as at 31 March 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements"), prepared and presented solely to facilitate the preparation of the consolidated financial statements of the Holding Company – Ajanta Pharma Limited ('APL'), in terms of section 129(3) of the Companies Act, 2013 (the "Act") and in accordance with the requirement of the Schedule III of the Act.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the basis of preparation as set out in note 2 of the financial statements and Group Accounting Policies of Ajanta Pharma Limited, of the state of affairs of the APUI as on 31 March 2021 and its profit (including other comprehensive income), the changes in equity and cash flow for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SA) issued by the Institute of Chartered Accountants of India ('ICAI') and in particular SA 800 "Special Considerations – Audit of Financial Statements prepared in accordance with Special Purpose Frameworks. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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 and have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management Responsibility for the Financial Statements

The Holding Company, APUI's management and their Board of Directors are responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting policies followed by the Holding Company – Ajanta Pharma Limited, in preparing its financial statements ("Group Accounting policies").



Independent Auditors' Report (Continued)

Ajanta Pharma Limited

Management Responsibility for the Financial Statements (Continued)

This responsibility also includes maintenance of adequate accounting records 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing these financial statements, Holding Company, APUI's management and the Board of Directors of Holding Company and APUI are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to
 fraud or error, design and perform audit procedures responsive to those risks, and obtain audit
 evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not
 detecting a material misstatement resulting from fraud is higher than for one resulting from error,
 as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override
 of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit
 procedures that are appropriate in the circumstances, but not for the purpose of expressing an
 opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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Independent Auditors' Report (Continued)

Ajanta Pharma Limited

Auditors' Responsibility for the Audit of the Financial Statements (Continued)

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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves presentation in accordance with the basis of preparation as set out in Note 2 to the financial statements.

We communicate with the management 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.

Other matter

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the basis of preparation. These financial statements do not constitute a set of statutory financial statements in accordance with the local laws in which the Company is incorporated and are prepared for the sole purpose of consolidation of the financial statements of APUI with the Holding Company – Ajanta Pharma Limited.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sreeja Marar

Partner

Membership No: 111410

UDIN: 21111410AAAAAP4220

Mumbai 30 April 2021

Balance Sheet

as at 31 March 2021

(Currency: USD)

			31 March 2021	31 March 2020
		Note	USD	USD
Assets				
Non-current assets				
Property, plant and equipment		7	574,673	606,910
Other intangible assets		7	437,275	150,670
Intangible assets under development		7		110,216
Right-of-use assets		7	391,370	559,100
Deferred tax assets (net)		8	3,436,162	39,100
	Total non-current assets		4,839,480	1,465,996
Current assets				
Inventories		9	26,887,587	16,386,549
Financial assets			D 2674-014201	700700000
Trade receivables		10	52,272,552	55,143,579
Cash and cash equivalents		11	4,282,324	5,857,868
Other current assets	2000 2004	12	886,807	485,938
	Total current assets		84,329,270	77,873,934
Total assets			89,168,750	79,339,930
Equity and Liabilities				
Equity				
Equity share capital		13	1,000,000	1,000,000
Other equity		14	7,159,338	4,521,926
Some adaily	Total equity		8,159,338	5,521,926
Liabilities				
Non current liabilities				
Lease liabilities		15	255,533	431,982
Current liabilities				
Financial liabilities				
Borrowings		16		5,663,521
Trade payables		17	63,442,222	56,778,966
Lease liabilities		18	176,449	167,250
Other financial liabilities		19	10,594,335	5,493,453
Other current liabilities		20	4,618,533	5,023,101
Current tax liabilities (net)		21	1,922,340	259,731
	Total current liabilities		80,753,879	73,386,022
Total equity and liabilities			89,168,750	79,339,930
Significant accounting policies		1 to 6		
The note referred to above form an integral part of financial statemer	nt	7 to 40		

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No: 101248W/W-100022

For and on behalf of Board of Directors of Ajanta Pharma USA Inc.

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Partner

Membership No: 111410

Yogesh M. Agrawal

Director

DIN: 00073673

Mumbai, 30 April 2021

Mumbai, 30 April 2021

Statement of Profit and Loss Account

for the year ended 31 March 2021

(Currency: USD)

	Note	31 March 2021 USD	31 March 2020 USD
Income	,4016		030
Revenue from operations	22	85,617,513	71,137,310
Total income		85,617,513	71,137,310
Expenses			
Purchase of stock-in-trade	23	82,540,114	62,044,226
Changes in inventories of finished goods/work-in-progress/stock-in-trade	24	(10,501,038)	(2,754,199
Employee benefits expense	25	4,304,352	3,786,342
Finance costs	26	130,330	326,930
Depreciation and amortisation expense	27	280,528	221,214
Other expenses	28	5,610,667	5,623,669
Total expenses	775	82,364,953	69,248,182
Profit before tax		3,252,560	1,889,128
Tax expense		29137677	000000000000000000000000000000000000000
For current year		4,083,275	514,051
For earlier years			(650,227
Deffered tax		(3,382,086)	(39,100
Profit for the year		2,551,371	2,064,404
Other comprehensive income / (loss)			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		4	
Income tax relating to items that will be reclassified to profit or loss		-	
Net other comprehensive income / (loss) to be reclassified subsequently to profit or			-
loss Other comprehensive income not to be reclassified to profit or loss in subsequent			
years			
Income tax relating to items that will not be reclassified to profit or loss			
Net other comprehensive income not to be reclassified to profit or loss in subsequent			
years			
Other comprehensive income / (loss) for the year, net of tax		7.771.321	2,064,404
Total comprehensive income for the year		2,551,371	2,004,404
Earning Per Equity Share (Basic & Diluted) (Face Value USD 100-)	30	255,14	206,44
Significant accounting policies	1 to 6		
The note referred to above form an integral part of financial statement	7 to 40		
DESCRIPTION OF THE PROPERTY COME.			

As per our report of even date attached

For B S R & Co. LLP

Sreeja Marar

Pariner

Chartered Accountants

Membership No: 111410

Firm Registration No: 101248W/W-100022

For and on behalf of Board of Directors of Ajanta Pharma USA Inc.

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Yogesh M. Agrawal

DIN: 00073673

Mumbai, 30 April 2021 Mumbai, 30 April 2021

Ajanta	Pharma USA Inc
	ent of cashflow or ended 31 March 2021
(Correray	USD)
Α.	Cash flow from operating a Profit before tax
	Adjustment for

		LND	DAD
Λ.	Cash flow from operating activities		755065
	Profit before tax	3,252,560	1,889,128
	Adjustment Ser		2000
	Depreciation and amortisation expense	280,528	221,214
	Finance costs	130,330	326,930
	Provision for expired goods	5,100,883	4,533,517
	Impairment loss on figureial assets	-	140,555
	Employee stock option expense	86,841	49,697
	Operating cash flow before working capital changes	8,850,343	7,161,041
	Changes in working capital		
	Decrease / (Increase) in trade receivable	2,871,027	(27,243,055)
	(Increase) in other current assets	(480,869)	(24,690)
	(Increase) in inventories	(10,501,038)	(2,754,199)
	(Decrease) / Increase in other current habilities	(404,569)	2,701,188
	Increase in trade psyables	6,663,256	23,926,925
	Cash generated from operations	7,078,149	3,767,212
	Net income tax (paid)	(2,435,642)	(265,673)
	Net cash flow generated from operating activities	4,642,597	3,501,539
B.	Cash flow from investing activities		300000
	Capital expenditure on property, plant and equipment including capital advances	(156,950)	(226,855)
	Net cash used in investing activities	(256,950)	(226,855)
C.	Cash flow from financing activities		
	(Repayment) / Proceeds of Borrowings	(5,663,521)	841,634
	Repayment of lease liability (including leterest thereon)	(200,208)	(200,208)
	Interest paid	(97,372)	(285,253)
	Net cash used in / from financing activities	(5,961,101)	356,173
	Not (decrease) / increase in cash and cash equivalents	(1,575,544)	3,630,857
	Cash and cash equivalents as at the beginning of the year	5,857,868	2,227,611
	Cash and cash equivalents as at the end of the year	4,212,124	5,857,868
	Figures in brackets indicates outflow.		

Note:

2. Cash comprises cash on hand, current accounts and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of ecquisition).

31 March 2021 31 March 2020 3. Changes in liabilities writing from financing activities Short-term berrowings: 5,663,521 4,821,887 Opening balance (5,663,521) Amount (repaid) / homowed during the year

Significant accounting policies The notes referred to above form an integral part of the consolidated financial statements As per our report of even date attached

For B S R & Co. LLP Chartered Accountants

Closing balance

First Registration No. 101248W/W-100022

For and on behalf of Board of Directors of Ajanta Pharma USA Inc.

31 March 2021

31 March 2020

Sreeja Marar

Membership No: 111410

Yogesh M. Agrawal Director DBN: 00073673

5,663,521

Murchai, 39 April 2021

Munthei, 30 April 2021

^{1.} The above Cash Flow Statement has been prepared under Indirect Method as set out in Accounting Standard 7 (Ind AS - 7) "Statement of Cash Flow* under Section 133 of the Companies Act 2013.

Statement of Changes in Equity

for the year ended 31 March 2021

(Currency: USD)

A. Equity Share Capital (Refer note 13)

	Balance as at 91 April 2020	Changes in equity share capital during the year	Balance as at 31 March 2021
Authorised :	1,000,000		1,000,000
Issued :	1,000,000		1,000,000
Subscribed & Paid up:	1,000,000	- 41	1,000,000

B. Other equity (Refer note 14)

H. Other equity (Refer note 14) Particulars	General Reserve	Retained Earnings	Equity contribution from Holding Company	Total	Non- Controlling Interests	Total Equity
As at I April 2019	(1,567,902)	3,975,727		2,407,825	-	2,407,825
Profit for the period		2,064,404		2,064,494	140	2,064,404
Other comprehensive income					+	
Total comprehensive income		2,064,484		2,064,494		2,064,404
Transfer to General reserve		-				
Deferred Tex impact on opening carry forward last					- 3	- +
Stock options of holding company grantee	+	4	49,697	49,697		49,697
Dividend Paid				10		14
Ar 31 March 2020	(1,567,902)	6,040,131	49,697	4,521,926		4,521,926
Profit for the period		2,551,371		2,551,371		1,551,371
Other comprehensive income						1000
Total comprehensive income		2,551,371	F2:	2,551,371	-	2,551,371
Dividend Paid	4			-		- 4
Stock options of holding company granted			36,041	86,041		86,041
At 31 March 2021	(1,567,992)	8,591,502	135,738	7,159,338	-	7,159,338

Nature of Reserves

a) General Reserve

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

b) Retained Earnings

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

c) Equity Contribution from Holding Company

The fair value of options gramed by Parent company to employees of the company are recognised as Equity Contribution from Holding Company.

The accompanying notes form an integral part of the fluancial statements

For B S R & Co. LLP

Chartered Accountants

Firm Registration No: 101248W/W-100022

Seceja Maran

Parmer.

Membership No: 111410

Mumbai, 30 April 2021

For and on behalf of Board of Directors of Ajanta Pharma USA Inc.

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Yogesh M. Agrawal Director

DIN: 00073673

Mumbai, 30 April 2021

Notes to the Financial Statements as on 31 March 2021

1. Corporate Information

Ajanta Pharma USA Inc. is a limited liability company incorporated and domiciled in United States of America and is a wholly owned subsidiary of Ajanta Pharma Ltd., India. The address of its registered office is located at 440, US Highway, 22, East Bridgewater, New Jersey 08807, USA.

Company is primarily involved in the business of pharmaceutical and related activities.

2. Basis of preparation

Statement of Compliance

The financial statements are prepared in accordance with the Company accounting policies as adopted by its Holding Company, Ajanta Pharma Limited (Ajanta) which is as per the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Indian Companies Act, 2013 ("the Act").

These financial statements are "special purpose financial statements" and do not constitute a set of statutory financial statements in accordance with the local laws in which the Company is incorporated and are prepared for the sole purpose of the Consolidation of Ind AS financial statements of the Company with Ajanta.

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

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

Use of estimates and judgements:

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

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

Property, Plant and equipment

Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalised. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.



Notes to the Financial Statements as on 31 March 2021

Intangible Assets

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

Allowance for uncollected accounts receivable and advances

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

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

Allowances for inventories

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

Recognition of deferred tax assets and income tax

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

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

Recognition and measurement of other provisions

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

Contingencies

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

Impairment reviews

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



Notes to the Financial Statements as on 31 March 2021

Amounts deducted from revenue for the projected chargeback, sales returns, rebates and Medicaid

The significant adjustments to the revenue are broadly explained below:

- (a) A chargeback is a claim made by the wholesaler for the difference between the prices 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. Provision for chargeback is calculated on the basis of historical experience and specific terms in the agreements
- (b) Sales return is variable consideration that is recognised and recorded based on historical experience, market conditions and provided for in the year of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with trade practices, historical trends, past experience and projected market conditions.
- (c) Provision for rebate is calculated on the basis of historical experience and specific terms in the agreements. Charge back, rebates, returns and medicaid payments are variable consideration that is recognised and recorded based on historical experience, market conditions and specific contractual terms. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in line with contractual and legal obligations, trade practices historical trends, past experience and projected market conditions.
- (d) Following a decrease in the price of a product, the Company generally grants customers a "shelf stock adjustment" for a customer's existing inventory for the involved product. Provisions for shelf stock adjustments are determined at the time of the price decline or at the point of sale, if the impact of a price decline on the products sold can be reasonably estimated based on the customer's inventory levels of the relevant product.

4. Functional and Presentation Currency

These financial statements are presented in United States Dollars (USD) which is also the functional currency. All the amounts have been rounded off to the nearest USD, unless otherwise indicated.

Current / non-current classification

An entity shall classify an asset as current when-

- (a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- (b) it holds the asset primarily for the purpose of trading;
- (c) it expects to realise the asset within twelve months after the reporting period; or
- (d) the asset is eash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

An entity shall classify a liability as current when-

- (a) it expects to settle the liability in its normal operating cycle;
- (b) it holds the liability primarily for the purpose of trading;
- (c) the liability is due to be settled within twelve months after the reporting period; or

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Notes to the Financial Statements as on 31 March 2021

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

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

Operating Cycle

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

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

6. Significant Accounting Policies

6.1 Property, Plant and Equipment

Property, Plant and Equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Depreciation is calculated on the straight-line method to write off the cost of assets, to their residual values over their estimated useful life as follows:

Particulars	Useful Life
Building	27.5 years
Furniture, Fixtures & Fittings	3-8 years
Computer Software's	5 years

The asset's residual values and useful lives are reviewed and adjusted if appropriate, at each end of reporting period. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in the statement of profit or loss.

Intangible Assets

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

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in Statement of profit and loss in the period in which the expenditure is incurred.

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



Notes to the Financial Statements as on 31 March 2021

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

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

Impairment on non-financial assets

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

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

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

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

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

6.2 Financial Instruments

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

Financial Assets

Classification

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

Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.



Notes to the Financial Statements as on 31 March 2021

Subsequent Measurement

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

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

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

Financial Assets measured at Amortised Cost (net of any write down for impairment, if any)

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

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

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

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

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

Derecognition of Financial Assets

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

Impairment of Financial Assets

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

Financial Liabilities

Classification

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



Notes to the Financial Statements as on 31 March 2021

Initial Recognition and Measurement

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

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

Subsequent Measurement

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition of Financial Liabilities

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

6.3 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the moving weighted average basis, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

The comparison of cost and net realisable value is made on an item-by-item basis. The Company considers various factors like shelf life, ageing of inventories, product discontinuation, price changes and other factors which impact the company's business in determining the allowance for obsolete, non-saleable and slow, non-moving inventories. The company considers the above factor and adjusts the inventory provision to reflect its actual performance on actual basis. Goods in transit are valued at actual cost incurred up to the date of balance sheet.

6.4 Cash and cash Equivalents

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

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



Notes to the Financial Statements as on 31 March 2021

6.5 Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flow from operating, investing and financing activities of the Company are segregated. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

6.6 Foreign Currency Transactions

Transactions in foreign currencies are translated into the Company's functional currency at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are not translated. Foreign currency exchange differences are generally recognised in the statement of profit and loss.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous Financial Statements are recognised in the Statement of Profit and Loss in the period in which they arise. When a gain or loss on a non-monetary item is recognised in Other Comprehensive Income, any exchange component of that gain or loss is recognised in Other Comprehensive Income. Conversely, when a gain or loss on a non-monetary item is recognised in Statement of Profit and Loss, any exchange component of that gain or loss is recognised in Statement of Profit and Loss.

6.7 Revenue Recognition

Sale of Goods

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

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

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

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

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



Notes to the Financial Statements as on 31 March 2021

Interest income is recognised on time proportion basis. Insurance and other claims are recognised as a revenue on certainty of receipt on prudent basis. Export benefits available under prevalent schemes are accounted to the extent considered receivable.

Dividend income is recognised when the Entity's right to receive the payment is established, which is generally when shareholders approve the dividend.

6.8 Employee Benefits

Short-term Benefits - The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given

by the Company to its employees include salaries and wages, social security contributions, Medicare contributions, and other non-monetary benefits. A liability is recognised for the amount expected to be paid; if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

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

Share-based compensation

Employees Stock Options Plans ("ESOPs"): The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The company recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The ESOPs (shares of holding company) are granted to the employees of the company.

Provisions (other than employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

6.9 Borrowing Costs

Borrowing costs comprise of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that takes substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Transaction costs are charged to statement of profit and loss as financial expenses over the term of borrowing.



Notes to the Financial Statements as on 31 March 2021

6.10 Lease

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

6.11 Earnings Per Share

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

6.12 Income Taxes

Income tax expense comprises current and deferred income tax.

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

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

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

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

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

Notes to the Financial Statements as on 31 March 2021

6.13 Dividends to Shareholders

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

6.14 Provisions, Contingent Liabilities, Contingent Assets and Commitments

General

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

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

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

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

Contingent liability is disclosed in the case of:

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

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

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

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

6.15 Fair value measurement

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

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

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



Notes to the Financial Statements as on 31 March 2021

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

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

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

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

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

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

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

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

6.16 Recent accounting pronouncements

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

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.



Notes to the Financial Statements as on 31 March 2021

- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

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

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

Ajanta Pharma USA Inc. Notes to the Plannial Statements (Continued) or of 11 March 201

			Chmis	Green Street, School Or December Con-	Decimal Coll			Amend	Assembled Department Appet	beat Account Seatons.		No. Back
	Perioden	at April 300	-	linear to	Administ	St Stand Mile & April 2015	it April 2021	100	Spend	Adjustment	1) Shrish 2011	NI March 2011
4	Franch Plant and Equipment Enchaltered	29(38)	1			20,00		-	-		-	25.00
	Buildings Familiarised Settem	311.86				30,00	0812	COM.	- 1		9096	30,000
	Total	677778				100,000		11733			SALIN.	STARTS.
	Otter hangtes sents Cogniti where	196,967	160.00			20,000	11,680	80,00			101	40,279
	Test	196,963	and on		1	100,000	3796	11/11		-	57	NATUR
	Transport (B)	16,192	347.346		1	Chule	239,712	111,798			36538	1,01,040
u	Dog Bases with Antiques	23.08	ž	MM	1	NO.	200,000				34067	
	Total Poseth, Past and Explorers, C.	Mariners, Capital Work in Progress and Chief Integribs Associated - Root C	on and Distract	Interestin n	A 40 B 1							141194

7.2 Previous Year

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	Particulars	It Apt 300	Address	i i	-	III March 2028	1 April 2011	Van Van	Dependent	Adjustmen	Habes 3001	11 Mars 200
4	Property Plant and Equipment Study Study Published Property States	25,30 35,80 35,80	- 1			25.00 20.00 20.00	806	1000			11,400 114,600	26,35 26,05 20,00
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	Total		146,467			14,34	+5	Day.	-		1961	N. W. SER
	Templot n dis	823.825	160,907			3038	60,00	11,484			non	31.76
4	longlianes and designment	40,039	138.800			234.560			N.	9430	HON	10,250
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(control properties (with party 19)	1070	1			26,00	808	107,750	1		111,460	
Total	136,600	-	-	7	TALIN	81738	867,088	-	-	335,460	84.5%

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Particulars	1 April 2619	Allton	Allebert Disposels	Ajemen	21 March 2621	1/6/2019	Time and	Deposed	Adjustment	31 March 2020	31 March 2000
contact properties (with pare 17)	ì	75.48			19,09		BOTTE			96,09	9438
tent	-	TO A R	-	1	HART.		80,000			140,538	CHI.



Ajanta Pharma USA Inc Notes to the Financial Statements (Continued) as at 31 March 2021 (Currency: USD) 8 Defered tax assets (net) The tax effects of significant temporary difference that resulted in deferred tax asset and liabilities and a description of that created these difference in given below: (refer note 38)

10

(A)	31,392	24,369
(B)	45,306	27,004
(C)	8,367	6,573
(D)	5,249	7,081
(E)	1,068,383	
(F)	2,338,773	2.7
(G)	61,308	25,927
(A+B+C+D+E+F)-(G)	3,436,162	39,100
	3,436,162	39,100
	26,887,587	16,386,549
	26,887,587	16,386,549
	52,272,552	55,284,134
	*	*
_		140,555
		140,555
	52,272,552	55,143,579
_	52,272,552	55,143,579
	(B) (C) (D) (E) (F)	(B) 45,306 (C) 8,367 (D) 5,249 (E) 1,668,383 (F) 2,338,773 (G) 61,308 (A+B+C+D+E+F)-(G) 3,436,162 26,887,587 26,887,587 52,272,552

31 March 2021

(There are no other trade receivables which have significant increase in credit risk, Refer note 32 for information about credit risk and market risk of trade receivables)

The loss allowance on trade receivable has been computed on the basis of Ind AS 109, Financial Instruments which require such allowance to be made even for trade receivable considered good on the basis that credit risk exists even though it may be very low. The Company exposure to credit and currency risk and loss allowance related to trade receivable are disclosed in note 32)



31 March 2020

	Cash and cash equivalents				
	Cash and cash equivalents				
	Balance with banks - in current accounts		4,282,324		5,857,868
			4,282,324		5,857,868
			31 March 2020		31 March 2019
12	Other current assets				
	Advance to related parties		183,308		
	Prepaid expense		683,095		481,339
	Advances to suppliers		20,000		4,553
	Advances to employees		404		46
			886,807		485,938
13	Equity share capital		31 March 2021		31 March 2020
		Number of Shares	USD	Number of Shares	USD
	Authorised: Common Stocks of USD 100 each	10,000	1,000,000	10,000	1,000,000
	Common Stocks of USD 100 cach	10,000	1,000,000	10,000	1,000,000
	Issued, Subscribed & Paid up :	10.000		10.000	* 000 000
	Common Stocks of USD 100 each fully Paid up	10,000	1,000,000	10,000	1,000,000
	(a) Reconciliation of number of equity shares outstanding at the be-			21.17	- 5 2020
		31 March : Number of Shares	USD	Number of	rch 2020 USD
		Number of Snares	CSD	Shares	030
	Number of shares outstanding as at the beginning of the year	10,000	1,000,000	10,000	1,000,000
	Add: Number of shares allotted as fully paid-up during the year				
	Add: Number of shares allotted as fully paid-up during the year Less: Number of shares bought back during the year				1 000 000
	Add: Number of shares allotted as fully paid-up during the year	10,000	1,000,000	10,000	1,000,000
	Add: Number of shares allotted as fully paid-up during the year Less: Number of shares bought back during the year Number of shares outstanding us at the end of the year (b) Rights, preferences and restrictions attached to shares				1,000,000
	Add: Number of shares allotted as fully paid-up during the year Less: Number of shares bought back during the year Number of shares outstanding as at the end of the year				1,000,000
	Add: Number of shares allotted as fully paid-up during the year Less: Number of shares bought back during the year Number of shares outstanding as at the end of the year (b) Rights, preferences and restrictions attached to shares The company has issued only one class of equity shares with voting rig The company have not declared any dividend.	hts buving a par value of USD	100 per share.	10,000	1,000,000
	Add: Number of shares allotted as fully paid-up during the year Less: Number of shares bought back during the year Number of shares outstanding as at the end of the year (b) Rights, preferences and restrictions attached to shares The company has issued only one class of equity shares with voting rig The company have not declared any dividend. In the event of liquidation of the company, the holders of equity shares	hts baving a par value of USD will be entitled to receive rem	100 per share.	10,000	1,000,000
	Add: Number of shares allotted as fully paid-up during the year Less: Number of shares bought back during the year Number of shares outstanding as at the end of the year (b) Rights, preferences and restrictions attached to shares The company has issued only one class of equity shares with voting rig The company have not declared any dividend.	hts baving a par value of USD will be entitled to receive rem	100 per share.	10,000	1,000,000
	Add: Number of shares allotted as fully paid-up during the year Less: Number of shares bought back during the year Number of shares outstanding as at the end of the year (b) Rights, preferences and restrictions attached to shares The company has issued only one class of equity shares with voting rig The company have not declared any dividend. In the event of liquidation of the company, the holders of equity shares	hts baving a par value of USD will be entitled to receive rem eld by shareholders.	o 100 per share.	10,000 mpany.	
	Add: Number of shares allotted as fully paid-up during the year Less: Number of shares bought back during the year Number of shares outstanding as at the end of the year (b) Rights, preferences and restrictions attached to shares The company has issued only one class of equity shares with voting rig The company have not declared any dividend. In the event of liquidation of the company, the holders of equity shares The distribution will be in proportion to the numbers of equity shares h	hts having a par value of USD will be entitled to receive rem eld by shareholders.	2 100 per share. naiming assets of the co	10,000 mpany.	arch 2020
	Add: Number of shares allotted as fully paid-up during the year Less: Number of shares bought back during the year Number of shares outstanding as at the end of the year (b) Rights, preferences and restrictions attached to shares The company has issued only one class of equity shares with voting rig The company have not declared any dividend. In the event of liquidation of the company, the holders of equity shares The distribution will be in proportion to the numbers of equity shares h (c) Details of equity shareholders holding more than 5%	hts baving a par value of USD will be entitled to receive rem eld by shareholders.	o 100 per share.	10,000 mpany.	
	Add: Number of shares allotted as fully paid-up during the year Less: Number of shares bought back during the year Number of shares outstanding as at the end of the year (b) Rights, preferences and restrictions attached to shares The company has issued only one class of equity shares with voting rig The company have not declared any dividend. In the event of liquidation of the company, the holders of equity shares The distribution will be in proportion to the numbers of equity shares h (c) Details of equity shareholders holding more than 5%	hts having a par value of USD will be entitled to receive rem eld by shareholders.	2 100 per share. naiming assets of the co	mpany. 31 Mar. Number of	arch 2020



14		31 March 2021	31 March 2020
	Other equity		
	General reserve		
	Balance at the beginning of the year	(1,567,502)	(1,567,902
	Add: Transferred from Statement of Profit & Loss	(the that	(t)corpros
	Balance as at the year end	(1,567,902)	(1,567,902
	Exchange Fluctuation Reserve		
	Equity contribution from Holding Company		
	Employee stock options		
	Balance at the beginning of the year	49,697	
	Charge during the year	86,041	49,697
	Halance as at the year end	135,738	49,697
	Retained earnings		
	Balance at the beginning of the year	6,040,131	4,006,660
	Less: Transition impact of Ind AS 116 (Refer Note 33)		30,933
	Restated balance as 1 April 2019	6,040,131	3,975,727
	Profit for the year	2,551,371	2,064,404
	Balance at the year end	8,591,502	5,040,131
	Total other equity	7,159,338	4,521,926
	STREET CONTROL OF THE		4
15	Lease liabilities (non current)		
	Lease liabilities (refer note 33)	255,533	431,982
		255,533	431,982
16	Borrowings (current)		
	Dollowing (current)		
	Working capital loans repayable on demand from banks (secured)		5,663,521
		1	5,663,521
			7910000
16.1	The Company obtained a revolving loan facility on 12 December 2018. The C an outstanding balance of \$ 5,663,521 on the revolving loan facility. The in Interbank Offered Rate of Interest plus 2.30% (LIBOR + 2.30%). Interest is p. All the tangible and intangible assets of the Company are collateralized againfully guaranteed by the Parent Company. The Company pays a guarantee con (refer note 36)	company has a credit limit up to \$ 6,000,000. As at 31 Ma atterest payable on the unpaid outstanding principal bala aid on monthly basis. The loan facility is fully repayable ast the revolving line of credit facility availed. The revol	rch 2020, the Company had nee is equal to the London on demand. ving line of credit has been
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			31 March 2021	31 Marck 2020
20	Other current liabilities			
	Others payables		46,18,533	50,23,101
			46,18,533	50,23,101
21	Current tax liabilities (net)			
	Provision for tax (net of advance tax USD 961,190 (31 March 2020 USD	981,464))	19,22,340	2,59,731
			19,22,340	2,59,731
22	Revenue from operations			
	Sale of products Stock-in-Trade		8.56,17,513	7,11,37,310
	Sock-in-Hade			7,11,37,310
			8,56,17,513	7,11,37,310
	Reconciliation of revenue from operations with contracted parties:			
	Contracted price Adjustments		39,26,39,136	36,30,17,758
	Chargeback, rebates and discounts		28,86,88,743	26,05,94,009
	- Sales return		80,47,207	1,66,80,323
	- Others Sale of products		1,02,85,673 8,56,17,513	1,55,26,116 7,11,37,310
23	a. Purchase of stock-in-trade (Related party)		8,27,89,469	6,20,44,226
	b. Purchase of stock-in-trade (Others)		(2,49,355)	-
24	Changes in Inventories of Finished Goods, Work-in-progres	s and Stock-in-		
	Inventories at the end of the year :			
	Stock-in-trade	240	2,68,87,587	1,63,86,549
	the state of the s	(A)	2,68,87,587	1,03,80,349
	Inventories at the beginning of the year : Stock-in-trade		1,63,86,549	1,36,32,350
	And the same	(B)	1,63,86,549	1,36,32,350
	Effect of foreign exchange translation			
	Stock-in-trade			
		(C)		3.5
	Total changes in inventories of finished goods, work-in-progress Stock-in-trade		(1,05,01,038)	(27,54,199
	Total changes in inventories of finished goods, work-in-progress and stock-in-trade:	$(B)\circ (A)+(C)$	(1,05,01,038)	(27,54,199
25	Employee benefit expense			
	Salaries, wages, bonus and allowances		35,75,870	36,93,447
	Employee welfare expenses		3,60,615	4,65,648
	Employee stock option expense (refer note 37)		86,041	49,697
	Contribution to statutory funds (refer note 31)		2,81,826	1,77,550
				37,86,342



		31 March 2021	31 March 2020
26	Finance costs		
	Interest expenses	24,649	2,49,076
	Interest on Lease liability (refer note 33)	32,958	41,677
	Other barrowing cost *	72,723	36,177
	* Includes Guarantee Commission of USD 62,500 (31 March 2020 : 30,174) (refer note 36)		
		1,30,330	3,26,930
27	Depreciation and amortisation expense		
	Depreciation of property, plant and equipment (Refer note 7)	32,237	39.787
	Amortisation of intangible assets (Refer note 7)	80.561	13,697
	Depreciation of right-of-sne assets (Refer note 7)	1,67,730	1,67,730
		2,80,528	2,21,214
28	Other Expenses		
	Clearing and forwarding	36,24,012	35,78,002
	Selling expenses	19,84,777	12,25,302
	Insurance	3,24,948	2,46,311
	Travelling expenses	440	1,96,954
	Impairment loss on financial assets		1,40,555
	Telephone, telex & postage	3,01,322	99,564
	Legal and Professional Fees	1,76,040	48,579
	Payment made to auditors		
	- Audit fees	7	15,000
	Repairs to others	4,348	5,694
	Power and fuel	2,289	2,911
	Rent (refer note 33)		
	Miscellaneous expenses	92,491	64,697
		56,10,667	56,23,569



Notes to the Financial Statements (Continued)

for the year ended 31 March 2021

(Currency: USD)

29. Capital Management

Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders. The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position. Company's target is to achieve a return on capital above 50%; in 2020-21 the return was 41% and in 2019-20 the return was 40%.

Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents and current investments. Adjusted equity comprises all components of equity.

Company's policy is to keep the ratio below 1.00 and its adjusted net debt to equity ratio at 31 March 2021 was as follows.

USI			
USI			

Particulars		31 March 2021	31 March 2020
Total Borrowing		Nil	5,663,521
Less: cash and cash equivalents		4,282,324	5,857,868
Adjusted net debt	A	(4,282,324)	(194,347)
Equity	В	8,159,338	5,521,926
Adjusted net debt to Equity ratio	A/B	(0.52)	(0.04)

Earnings Per share (EPS):

The numerator and denominator used to calculate Basic and Diluted Earnings Per Share:

Particulars		31 March 2021	31 March 2020
Basic and diluted earnings per share:			
Profit attributable to Equity shareholders- for Basic EPS (USD)	Α	2,551,371	2,064,404
Add: Dilutive effect on profit (USD)	В	NII	Nii
Profit attributable to Equity shareholders for computing Diluted EPS (USD)	C=A-B	2,551,371	2,064,404
Weighted average number of equity shares outstanding - for basic EPS	D	10,000	10,000
Add: Dilutive effect of option outstanding- Number of Equity Shares	E	Nil	Ni
Weighted average number of equity shares for diluted EPS	F=D+E	10,000	10,000
Face value per equity share (USD)		100	100
Basic carnings per share (USD)	A/D	255.14	206,44
Diluted earnings per shares (USD)	C/F	255.14	206.44



Notes to the Financial Statements (Continued)

for the year ended 31 March 2021

(Currency: USD)

31. Employee benefits

As required by Ind AS 19 'Employee Benefits', the Company offers its employees: Shortterm employee benefits - These benefits include salaries and wages and other government contributions which are due within 12 months after the end of the period in which employee renders the related service. The Company's accrual on account of vacation liabilities amounted to USD 143,741 (31 March 2020 USD 111,219).

Retirement plan - The Company provides a 401(k) retirement program for full-time employees who are 21 years of age or older. Eligible employees are entitled to participate in the company offered plan with an option to contribute up the maximum 3% of annual base salary. For employees with an annual base salary above the annual compensation limits, as determined by the Federal Internal Revenue Service (Federal), the annual APUI contribution will be capped at 3% of the Federal allowed annual compensation limits. All contributions are 100% vested immediately to the employee. The company also provides a profit sharing contribution in to the 401(k) account which is discretionary. The total expense for employee retirement benefit plan including the profit sharing contribution for the year ended 31 March 2021 was USD 281,826 (31 March 2020: USD 177,550).

32. Financial Instrument - fair values and risk management

Fair value measurements		USD
	31 March 2021	31 March 2020
Financial instruments by category	Amortised Cost	Amortised Cost
Financial assets		
Trade receivables	52,272,552	55,143,579
Cash and cash equivalents	4,282,324	5,857,868
Total financial assets	56,554,876	61,001,447
Financial liabilities		
Lease liabilities	431,982	599,232
Borrowings	NII	5,663,521
Other current financial liabilities	10,594,335	5,493,453
Trade payables	63,442,222	56,778,966
Total financial liabilities	74,468,539	68,535,172

There are no financial instruments classified as Fair Value through profit and loss and fair value through other comprehensive income. Fair value measurement of lease liabilities is not required.

A. Financial risk management

Company has exposure to following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk



Notes to the Financial Statements (Continued)

for the year ended 31 March 2021

(Currency: USD)

32. Financial Instrument - fair values and risk management (Continued)

Risk management framework

The Company's activities are exposed to financial risks. These risks include market risk, credit risks and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company through established policies and processes which are laid down to ascertain the extent of risks, setting appropriate limits and controls and continuous monitoring and compliance of the same.

i. Credit risk

Credit risk the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks other financial instruments.

Other financial assets

The Company limits its exposure to credit risks by depositing its cash only with financial institutions duly evaluated and approved by the Board of Directors.

Impairment:

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables:

		31 March 2021		
Not due	Carrying amount 52,272,552	Weighted average loss rate 0%	Loss allowance Nil	
Past due upto 180 days	Nil	0%	Ni	
Past due 181-365 days	Nil	0%	Ni	
Past dues 366 - 730 days	Nil	0%	Ni	
Past dues 731 - 1096 days	Nil	0%	Ni	
More than 1096 days	Nil	0%	Nil	
	52,272,552		Ni	

		31 March 2020		
Not due	Carrying amount 55,042,220	Weighted average loss rate 0%	Loss allowance Nil	
Past due upto 180 days	241,914	58%	140,555	
Past due 181-365 days	Nil	0%	Nil	
Past dues 366 - 730 days	Nil	0%	Ni	
Past dues 731 - 1096 days	Nil	0%	Ni	
More than 1096 days	Nil	0%	Nii	
	55,284,134		140,555	



Notes to the Financial Statements (Continued)

for the year ended 31 March 2021

(Currency: USD)

32. Financial Instrument - fair values and risk management (Continued)

The above financial assets were not impaired as there had not been a significant change in credit quality and the amounts were still considered receivable based on the nature of the activity of the customer portfolio to which they belong and the type of the customers. There are no other classes of financial assets that are past due but not impaired except for Trade receivables as at 31 March 2021 and 31 March 2020

Trade receivable

Company's credit risk is minimal. The trade receivables arise mainly from transactions with its approved customers. The maximum exposure to credit on these transactions is equal to the carrying amount of these financial instruments. Customers are subject to stringent financial, credit and legal verification process. In addition, trade receivable balances are monitored on an ongoing basis to ensure timely collections. Accordingly, the Company's exposure to bad debts is not significant.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company does not hold collateral as security.

Expected credit loss assessment

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

	31 March 2021	31 March 2020
Gross Carrying amount	52,272,552	55,248,134
Average Expected loss rate	0.00%	0.25%
Carrying amount of trade receivables (net of impairment)	52,272,552	55,143,579

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	31 March 2021	31 March 2020
Balance as at the beginning of the year	140,555	Nil
Impairment loss recognised (net)	NII	140,555
Amounts written off	140,555	Nil
Balance as at the year end	Nil	140,555



Notes to the Financial Statements (Continued)

for the year ended 31 March 2021

(Currency: USD)

32. Financial Instrument - fair values and risk management (Continued)

The impairment loss at 31 March, 2020 related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

ii. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. Working capital requirements are adequately addressed by internally generated funds. Trade receivables are kept within manageable levels.

Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities over the next six months. The ratio of cash and cash equivalents and other highly marketable debt investments to outflows is 0.05 at 31 March 2021 (31 March 2020: 0.08).

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at 31 March 2021	Carrying Amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Trade payables current	63,442,222	63,442,222	63,442,222	Nii	Nil	NII
Borrowings current	Nil	NII	Nil	Nil	Nii	Nil
Lease liabilities	431,982	431,982	176,449	186,154	69,379	Nil
Other current financial liabilities	10,594,335	10,594,335	10,594,335	Nil	Nil	NII
Total	74,468,539	74,468,539	74,213,006	186,154	69,379	Nil

As at 31 March 2020	Carrying Amount		Contractu	al Cash Flo	ms	
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Trade payables current	56,778,966	56,778,966	56,778,966	Nil	Nil	Nil
Borrowings current	5,663,521	5,663,521	5,663,521	Nil	Nil	Nil
Lease liabilities	599,232	599,232	167,250	176,450	255,532	Nil
Other current financial liabilities	5,493,453	5,493,453	5,493,453	Nil	Nil	Ni
Total	68,535,172	68,535,172	68,103,190	176,450	255,532	Ni



Notes to the Financial Statements (Continued)

for the year ended 31 March 2021

(Currency: USD)

32. Financial Instrument - fair values and risk management (Continued)

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. The Company's exposure from market risks is primarily on account of interest rate risk.

a) Currency risk

The Company does not have foreign exchange risk as their entire dealings are in their local functional currency i.e., US Dollars.

b) Interest rate risk

Company's exposure to changes in interest rates relates primarily to the Company's short-term debt obligations. Fixed rate financial instruments are subject to fair value interest rate risk. The following table demonstrates the sensitivity analysis to a reasonably possible change in interest rates, with all other variable held constant, of the Company's profit before income tax. The estimates are based on the outstanding interest-bearing liabilities of the Company with floating interest rate as at 31 March 2021 and 31 March 2020.

		USD
Year	Change in interest rate*	Effect on profit before tax
31 March 2021	+1%/(-1%)	Nil
31 March 2020	+1% / (-1%)	56,635 / (56,635)

^{*} Holding all other variable constant

c) Price risk

Company does not have any exposure to price risk, as there is no equity investments.

Disclosure for leases:

The Company have taken a premise under operating lease. The lease is for a period of five year and renewable every year upon mutual consent of the parties. There are no contingent ronte.

The interest rate applied to lease liabilities as at 1 April 2019 is 5.50%.



Notes to the Financial Statements (Continued) for the year ended 31 March 2021

(Currency: USD)

33. Disclosure of Leases (Continued)

Right-of-use assets

As at 31 March 2021	Land and Buildings USD	Total USD
Cost	Cap	636
As at 1 April 2020	726,830	726,830
Additions	Nil	Ni
Disposals	Nil	Ni
Balance at 31 March 2021	726,830	726,830
Accumulated depreciation and impairment		
As at 1 April 2020	167,730	167,730
Depreciation	167,730	167,730
Impairment loss	Nil	Ni
Eliminated on disposals of assets	Nil	Ni
Balance at 31 March 2021	335,460	335,460

As at 31 March 2020	Land and Buildings USD	Total USD
Cost		
As at 1 April 2019	726,830	726,830
Additions	Nil	Ni
Disposals	Nit	Ni
Balance at 31 March 2020	726,830	726,830
Accumulated depreciation and impairment		
As at 1 April 2019	Nil	Ni
Depreciation	167,730	167,730
Impairment loss	Nil	Ni
Eliminated on disposals of assets	Nil	Ni
Balance at 31 March 2020	167,730	167,730

Carrying amounts		
As at 1 April 2020	559,100	559,100
Balance at 31 March 2021	391,370	391,370
As at 1 April 2019	726,830	726,830
Balance at 31 March 2020	559,100	559,100



Notes to the Financial Statements (Continued)

for the year ended 31 March 2021

(Currency: USD)

33. Disclosure of Leases (Continued)

Cash outflow on leases

Particulars	31 March 2021	31 March 2020
	USD	USD
Cash outflow on leases	(200,208)	(200,208)
Total cash outflow on leases	(200,208)	(200,208)

Maturity analysis

Particulars	Less than 1 year USD	Over 1 years	Weighted average effective interest rate %
31 March 2021		USD	
Lease liabilities 31 March 2020	176,449	255,533	5.50%
Lease liabilities	167,250	431,982	5.50%

34. Sales return for expired goods

		USD
Particulars	31 March 2021	31 March 2020
Balance at the beginning of the year	5,493,453	959,936
Add: Provisions made during the year	13,148,089	7,397,663
Less: Amount written back/utilized during the year	8,047,207	2,864,146
Balance at the end of the year	10,594,335	5,493,453

35. Contingent Liabilities and commitments:

There are no contingent liabilities and commitments by the Company.

36. Related party disclosure as required by Ind AS 24 are given below:

A) Relationships:

Category I - Holding Company & Fellow Subsidiary

Ajanta Pharma Ltd., India (Holding Company)

Category II - Directors, Key Management Personnel & their Relatives:

Dr. Ramesh Jhawar

Director (APUI)



Notes to the Financial Statements (Continued)

for the year ended 31 March 2021

(Currency: USD)

36. Related party disclosure as required by Ind AS 24 (Continued)

B) Following transactions were carried out with related parties:

		1250		USD
Sr.	Particulars	Category	31 March 2021	31 March 2020
1.	Purchase of Goods:			
	Ajanta Pharma Ltd., India	1	82,789,469	62,044,226
2,	Key Management Compensation:			
	Short Term Employee Benefits			
	Dr. Ramesh Jhawar	11	451,005	450,000
3.	Re-imbursement from Ajanta Pharma Ltd., India	1	439,145	817,230
4.	Commission paid to Ajanta Pharma Ltd.	1	62,500	30,174
5.	Shared Services	1	23,603	Ni
6.	Employee stock option	1	86,041	49,697

C) Amount outstanding as on 31 March 2021

				USD
Sr. No.	Particulars	Category	31 March 2021	31 March 2020
1.	Trade Payable :			
	Ajanta Pharma Ltd., India	1	63,391,213	56,778,966

37. Share based payments

The Holding Company has established "Employees Stock Options Scheme 2011" ('ESOS – 2011') as approved in earlier year by the shareholders of the Company and Compensation committee of Board of Directors for the key employees of the Company. The options issued under the above scheme vest in a phased manner.

The Holding Company in 2019 introduced a compensation scheme, to award the scheme participants (including employees of the Company), options of the holding Company based on the grant letter provided to such employees. The options have a graded vesting schedule with the vesting date and exercise price. Each option under the grants will be convertible to one share of the holding Company and will be convertible into equity shares only. As per the plan, holder of vested options are entitled to purchase one equity share of holding Company of ₹ 2 each for every option at an exercise price of ₹ 2.

During the year 500 options have been granted by the Company under the aforesaid Share based Incentive Plan 2019 to the employees of the Company.

Grant Date	No. of option Granted	No. of Option Cancelled	Exercise Price	Vesting Period
20 May 2020	3000	Nil	2	22 August 2021

The options are granted at an exercise price which is in accordance with the relevant SEBI guidelines in force, at the time of such grants. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 2/- each. The particulars of the options under ESOS 2011 and Share based Incentive Plan 2019 are as under:



Notes to the Financial Statements (Continued)

for the year ended 31 March 2021

(Currency: USD)

37. Share based payments (Continued)

Particulars	31 March 2021 Nos.	31 March 2020 Nos.
Options outstanding as at the beginning of the Year*	5,500	11,500
Add: Options granted during the Year	3,000	500
Less: Options exercised during the Year	4,500	6,500
Less: Options lapsed/cancelled during the Year		
Options outstanding as at the Year End	4,000	5,500

* During the current year, holding company has reimbursed cost pertaining to options of earlier years

Particulars	31 March 2021 Nos.	Range of Exercise Prices (₹)	Weighted Average Exercise Prices (₹)	Weighted Average Contractual life (Years)
Options outstanding as at the beginning of the year	5,500	2.0	2.0	0,7
Add: Options granted during the year	3,000	2.0	2.0	0.30
Less: Options exercised during the year	4,500	2.0	2.0	N.A
Less: Options lapsed/cancelled during the year	2	8		
Options outstanding as at the year end	4,000	2.0	2.0	0.36

Particulars	31 March 2020 Nos.	Range of Exercise Prices (₹)	Weighted Average Exercise Prices (*)	Weighted Average Contractual life (Years)
Options outstanding as at the beginning of the Year	11,500	2.0	2.0	0.9
Add: Options granted during the Year	500	2.0	2.0	2.0
Less: Options Exercised during the Year	6,500	2.0	2.0	.NA
Less: Options lapsed/cancelled during the Year		-		
Options outstanding as at the Year End	5,500	2.0	2,0	0.7

Description of the method and significant assumptions used during the year to estimate the fair values of the options, including the following weighted average information:



Notes to the Financial Statements (Continued)

for the year ended 31 March 2021

(Currency: USD)

37. Share based payments (Continued)

Variables			Weighted A	verage Inform	ation	
Plan		ESO	S 2011 / Share	Based Incenti-	ve Plan 2019	
	6,000 option	9,000 option	2,000 option	6,000 option	500 option	3,000 option
Grant date	26 July 2016	26 July 2016	22 August 2017	31 October 2018	September 2019	20 May 2020
Last date for acceptance	August 2016	August 2016	September 2017	30 November 2018	22 August 2021	August 2021
Risk free rate (%)	7.3	7.3	7.5	7.4	5.2	5.2
Expected Life (years)	3 to 4	1 to 3	1 to 4	2	2	1
Volatility (%)	20.23	20.23	17.2	13.43	13.74	14.67
Dividend yield (%)	0.53	0.53	0.43	0.5	0.55	0.71
Price of the underlying share in the market at the time of option grant (₹)	1,478	1,702	1,153	1,058	1,055	1,439
Fair value of options (₹)	1,453	1,453	1,142	1,043	1,041	1,425
Exercise price (₹)	2	2	2	2	2	2

Valuation of stock options

The fair value of stock options granted during the period has been measured using the Black-Scholes option pricing model at the date of the grant. The Black-Scholes option pricing model includes assumptions regarding dividend yields, expected volatility, expected terms and risk free interest rates. They key inputs and assumptions used are as follows:

Share price: The closing price on NSE as on the date of grant has been considered for valuing the options granted.

Exercise Price: Exercise Price is the market price or face value or such other price as determined by the Remuneration and Compensation Committee.

Expected Volatility: The historical volatility of the stock till the date of grant has been considered to calculate the fair value of the options.

Expected Option Life: Expected Life of option is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised.

Expected dividends: Expected dividend yield has been calculated as an average of dividend yields for four years preceding the date of the grant.

Risk free interest rate: The risk-free interest rate on the date of grant considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

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Notes to the Financial Statements (Continued)

for the year ended 31 March 2021

(Currency: USD)

37. Share based payments (Continued)

These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the Company's control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in future periods, stock based compensation expense could be materially impacted in future years. The estimated fair value of stock options is charged to income on a straight-line basis over the requisite service period of each separately vesting portion of the award as if the award was, in-substance, multiple awards.

38. Income Tax

	Income tax (expense) / benefit recognized in the income state	ment consists of the fo	Howing:
		31 March 2021	31 March 2020
3.	Current tax		
	Current tax on profit for the year	4,083,275	514,051
	Adjustment for current tax of prior periods	Nil	(650,227
	Total Current Tax expenses	4,083,275	(136,176
	Deferred tax expense/(benefit)		
	Origination and reversal of timing difference	(3,382,086)	(39,100
	Total Deferred Tax expenses	(3,382,086)	(39,100
	Total income tax recognised in the income statement	701,189	(175,276)
b.	Reconciliation of effective tax rate		
		31 March 2021	31 March 2020
	Accounting profit before income taxes	3,252,560	1,889,128
	Enacted tax rate in USA*	21%	21%
	Computed expected tax (benefit) / expenses	683,038	396,717
	Adjustment for current tax of prior periods		(650,227)
	Expenses that are not deductible in determining taxable profit	310	6,174
	Expenses not deducted in books but allowed for tax purpose	Nil	(20,245)
	State Taxes	27,121	16,590
	Federal True-up	(9,280)	Nil
	Effect of instating opening balance of deferred tax	Nil	(1,785)
	Effect of instating opening balance of current tax	Nil	77,500
	Income tax expenses	701,189	(175,276)
	Effective tax rate	22%	-9%

^{*}The tax rate used for the above reconciliation is the corporate tax rate applicable to the Company under tax laws of United States of America.



Notes to the Financial Statements (Continued) for the year ended 31 March 2021

(Currency: USD)

38. Income Tax (Continued)

c. Recognised deferred asset and liability						
	Deferred t	ax asset	Deferr			erred tax abilities)
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Property ,Plant and equipment	NII	Nil	61,308	25,927	(61,308)	(25,927)
Leave Encashment	31,392	24,369	NII	Nil	31,392	24,369
Provision for Loss Allowance	45,306	27,004	Nil	Nil	45,306	27,004
Guarantee Fees paid to holding company	8,367	6,573	NII	Nil	8.367	6,573
Stock option	5,249	7,081	NII	Nil	5,249	7,081
Chargebacks, Rebates, Admin Fees	1,068,383	Nil	Nil	Nil	1,068,383	Nil
Sales Return for expired goods	2,338,773	Nil	Nil	Nil	2,338,773	Nil
Net deferred tax asset/(liabilities)	3,497,470	65,027	61,308	25,927	3,436,162	39,100

	Net balance as on 1 April 2020	sed in Profit and loss	Net	Deferred tax asset	Deferred tax liabilities
Property ,Plant and equipment	(25,927)	(35,381)	(61,308)	Nit	(61,308)
Leave Encashment	24,369	7,023	31,392	31,392	Nil
Provision for Loss Allowance	27,004	18,302	45,306	45,306	Nil
Guarantee Fees paid to holding company	6,573	1,794	8,367	8,367	Nil
Stock option	7,081	(1,832)	5,249	5,249	Nil
Chargebacks, Rebates, Admin Fees	Nil	1,068,383	1,068,383	1,068,383	
Sales Return for expired goods	Nii	2,338,773	2,338,773	2,338,773	Nil
Net deferred tax asset/(liabilities)	39,100	3,397,062	3,436,162	3,497,470	(61,308)

d. Movement in deferred tax balances	31 March 2020				
	Net balance as on 1 April 2019	Recognis ed in Profit and loss	Net	Deferred tax asset	Deferred tax liabilities
Property, Plant and equipment	Nil	(25,927)	(25,927)	Nil	(25,927)
Leave Encashment	Nil	24,369	24,369	24,369	Nil
Provision for Loss Allowance	Nil	27,004	27,004	27,004	Nil
Guarantee Fees paid to holding company	Nil	6,573	6,573	6,573	Nil
Stock option	Nil	7,081	7,081	7,081	Nil
Chargebacks, Rebates, Admin Fees	Nil	Nil	Nil	Nil	Nil
Sales Return for expired Goods	Nil	Nil	Nil	Nil	Nil
Net deferred tax asset/(liabilities)	Nil	39,100	39,100	65,027	(25,927)



Notes to the Financial Statements (Continued)

for the year ended 31 March 2021

(Currency: USD)

39. Impact of COVID - 19 (Global pandemic)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition and impact on leases. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

40. The Company has one segment of activity namely "Pharmaceuticals".

In terms of our report attached

For BSR & Co. LLP

Chartered Accountants

Firm Registration No: 101248W/W-100022

For and on behalf of Board of Directors of Ajanta Pharma USA Inc.

Sreeja Marar

Partner

Membership No: 111410

Mumbai

30 April 2021

Yogesh M. Agrawal

of euro

Director

DIN: 00073673

Mumbai 30 April 2021



G. R. MODI 🔁 CO.

Chartered Accountants

12, Laxminarayan Shopping Center, 1st Floor, Poddar Road, Malad (E), Mumbai - 400097 Tel No. 91-22-28884274 - 28819304 Fax No. 91-22-28819304 email: swapnil@modiconsultancy.com

Independent Auditor's Report To the Members of Ajanta Pharma (Mauritius) Ltd.(Consolidated)

Report on the Consolidated Financial Statements

The accounts of AJANTA PHARMA MAURITIUS LTD and AJANTA PHARMA MAURITIUS INTERNATIONAL LTD, are being audited under the local laws of the country by the statutory auditor for the period 1st Jan 2020 to 31st December 2020. Financial Statements of AJANTA PHARMA MAURITIUS LTD, consolidated with Ajanta Pharma Mauritius International Ltd for the period 1st April 2020 to 31st March 2021. The holding company Ajanta Pharma Limited (India) follows the period 1st April 2020 to 31st March 2021. In order to consolidate the accounts of Ajanta Pharma Mauritius Ltd(Consolidated) with that of the holding company, we have been appointed by the management of the company to audit the reinstated accounts of AJANTA PHARMA MAURITIUS LTD.(Consolidated) for the period 1st April 2020 to 31st March 2021 under the companies Act in accordance with generally accepted accounting principles in India (Ind AS).

Opinion

We have audited the accompanying Consolidated Ind AS financial statements of AJANTA PHARMA MAURITIUS LTD. (CONSOLIDATED) ("the Company") (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March 2021, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS financial statements") prepared in accordance with group accounting policies followed by Ajanta Pharma Ltd. These Consolidated financial statements have been prepared solely to enable Ajanta Pharma Ltd. to prepare its consolidated financial statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit/loss, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process in accordance with the group accounting policies followed by Ajanta.

Auditor's Responsibility

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 financial statements.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
- The Company has not entered into any long-term contracts including derivative contracts, requiring provision under the applicable law or accounting standards, for material foreseeable losses; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

for G.R.Modi & Co

Chartered Accountants

Firm's registration number: 112617W

CA Swapnil Modi

Partner

Membership number: 107574

Mumbai

Date: 22nd April 2021

UDIN No 21107574AAAACF8326

Annexure - A to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of AJANTA PHARMA MAURITIUS LTD. (Consolidated)("the Company") as of 31 March 2021 in conjunction with our audit of the Consolidatedfinancial 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 based on the internal control over financial reporting 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 ('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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting. Meaning of Internal Financial Controls over Financial Reporting

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

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting 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.

for G.R.Modi & Co

Chartered Accountants

Firm's registration number: 112617W

CA Swapnil Modi

Partner

Membership number: 107574

Mumbai

Date: 22nd April 2021

UDIN No 21107574AAAACF8326

Consolidated Balance Sheet			
as at 31 March 2021			
(Currency: MUR)			
		31 March 2021	31 March 2020
Assets	Note	MAU. Rs	MAU. Rs
Non-current assets			
Property, plant and equipment	8	35,858,571	36,986,96
Right to use assets	8	2,197,914	4,395,82
Financial assets		2,000	1,000
Investments	9	ne.	59,847,75
Other financial assets	10	1,177,322	1,177,32
Total non-current assets		39,233,808	102,407,87
Current assets			
Inventories	11	186,498,910	19,601,40
Financial assets	21	Loop Caron Loon	
Investments	12	201,960,158	1
Trade receivables	13	55,389,040	170,738,02
Cash and cash equivalents	14	77,193,100	150,867,56
Other current assets	15	106,866,093	129,225,52
Total current assets		627,907,301	470,432,51
Total assets		667,141,109	572,840,38
Equity And Liabilities			
Equity			
Equity share capital	16	61,379,100	61,379,10
Other Equity	17	523,861,460	448,051,29
Total equity		585,240,560	509,430,39
Liabilities			
Non current liabilities	10	2.400.000	4,659,02
Lease liability	18	2,469,066	4,639,02
Current liabilities			
Other current liabilities	19	79,431,483	58,750,96
Total current liabilities		79,431,483	58,750,96
Total equity and liabilities		667,141,109	572,840,38
Significant accounting policies			1
The notes referred to above form an integral part of the	consolidat	ed financial statements	
As per our report of even date attached			
In terms of our report attached		For and on behalf of	Board of Directo
For G. R. Modi & Co.		of Ajanta Pharma (
(ICAI FRN: 112617W)		U. Aquana i	
S(M. No)		- 4a	· ····································
107574	100	10	
Col.	136	131	Vocash M. Asses
Swapnil Modi	C SOLL	MUAM) 2	Yogesh M. Agraw Direct
Partner	13C	15	umbai, 22 Apr, 20
		MII	ammuni, 44 Apr., 40.
Mumbai, 22 Apr, 2021	WAC.	- A	The state of the s

Ajanta Pharma (Mauritius) Limited			
Consolidated Statement of Profit and Loss			
for the year ended 31 March 2021			
(Currency: MUR)			
		31 March 2021	31 March 2020
Income	Note	MAU. Rs	MAU, Rs
Revenue from operations	20	1 470 330 003	1 (15 002 1/5
Other income	20	1,470,328,987	1,615,802,165
Total income	21	92,866,374	45,356,132
2017 1 100 100 100 100 100 100 100 100 10		1,563,195,361	1,661,158,297
Expenses Cost of materials consumed	22	12.664.680	21 053 200
Purchase of stock-in-trade	22	12,554,680	21,053,389
	23	936,776,561	528,142,913
Changes in inventories of finished goods/work-in-progress/stock-in-tra		(152,771,918)	(629,688)
Employee benefits expenses Finance costs	25	23,953,146	33,720,416
7 11111117 7 1 1 1 1 1 1 1 1 1 1 1 1 1	26	326,132	461,562
Depreciation and amortisation expense	27	4,460,393	5,554,897
Other expenses	28	360,115,472	650,251,274
Total expenses		1,185,414,465	1,238,554,763
Profit before tax		377,780,896	422,603,534
Tax expense		17.700.000	80 200 000
Current tax		16,652,732	20,308,908
Deffered tax			
Profit for the year		361,128,164	402,294,626
Total comprehensive income / (loss) for the year		361,128,164	402,294,626
		F00.14	****
Earning per equity share (Basic & Diluted) (Face value MUR100/-)	30	588.36	655.43
Significant accounting policies			
The notes referred to above form an integral part of the consolidated fin-	ancial statements		
As per our report of even date attached			
In terms of our report attached			
For G. R. Modi & Co.		For and on behalf of	
Chartered Accountants		of Ajanta Pharma	(Mauritius) Limited
(ICAI FRN : 112617W)		- 491	mal
(gl 107574)	SA MALO		
Swapnil Modi	E (MAURITIUS)		Yogesh M. Agrawa
	(MAURITIUS)		Director
Partner Acco	14		
Partner Mumbai, 22 Apr., 2021	The same of the sa	Mı	ambai, 22 Apr, 2021

Ajanta	Pharma (Mauritius) Limited		
Consoli	dated Statement of Cash Flow		
	ar ended 31 March 2021		
for the ye	ar enaeu 31 march 2021		
10	NAME OF THE PARTY		
(Currency	MUK)		
8 1 1			
		31 March 2021	31 March 2020
		MAU. Rs	MAU. Rs
A.	Cash flow from operating activities		
	Profit before tax	377,780,896	422,603,534
	Adjustment for		
	Depreciation and amortisation expense	4,460,393	5,554,897
	Finance costs	326,132	461,562
	Unrealised foreign exchange difference		(2
9 1	Operating cash flow before working capital changes	382,567,421	428,619,991
	Changes in working capital		
	Decrease / (increase) in trade and other receivables	115,348,981	8,259,886
	Decrease / (increase) in other non current assets	(1)	42,808
	Decrease / (increase) in other current assets	22,359,431	(50,209,774
	Decrease / (increase) in inventories	(166,897,510)	4,508,867
	Increase / (decrease) in other current liabilities	20,680,519	11,294,209
	Increase / (decrease) in other long term provisions		
	Increase / (decrease) in short term provisions		
	Increase / (decrease) in trade payables	*	
	Cash generated from operations	374,058,841	402,515,987
	Net income tax paid	(16,652,732)	(20,308,908
	Net cash generated from operating activities	357,406,109	382,207,079
B.	Cash flow from investing activities		
201	Capital expenditure on property, plant and equipment including capita	(1,134,085)	(5,612,387
	Capital expenditure on right to use asset		(6,593,744
	Purchase of non-current investments	(201,960,158)	- Coloradora
	Purchase of non-current investments	59,847,759	5,038,406
	Net cash used in investing activities	(143,246,484)	(7,167,725
C.	Cash flow from financing activities		
- Co	Repayment of lease liability (including interest thereon)	(2,189,960)	4,659,026
	Interest paid	(326,132)	(461,562
	Dividend paid	(285,318,000)	(436,578,784
	Net cash used in financing activities	(287,834,092)	(432,381,320
	Net increase / (decrease) in cash and cash equivalents	(73,674,468)	(57,341,966
	Cash and cash equivalents as at the beginning of the year	150,867,566	208,209,532
	Cash and cash equivalents as at the end of the year	77,193,098	150,867,566

Note:

- The above Cash Flow Statement has been prepared under 'Indirect Method' as set out in Accounting Standard 7 (Ind AS 7)
 "Statement of Cash Flow" under Section 133 of the Companies Act 2013.

 **The above Cash Flow Statement has been prepared under 'Indirect Method' as set out in Accounting Standard 7 (Ind AS 7)

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 **The above Cash Flow Statement has been prepared under 'Indirect Method' (Ind AS 7)

 **The above Cash Flow Statement has been prepared under 'Indirect Method' (In
- Cash comprises cash on hand, current accounts and deposits with banks. Cash equivalents are sholrt-term balances (with an original maturity of three months or less from the date of acquisition).

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Significant accounting policies

The notes referred to above form an integral part of the consolidated financial statements. As per our report of even date attached

107574

Figures in brackets indicates outflow.

In terms of our report attached

For G. R. Modi & Co. Chartered Accountants (ICAI FRN: 112617W)

Swapnit Modi Partner

Mumbai, 20 May, 2020

UDIN: 2 1107574AAAACE

For and on behalf of Board of Directors of Ajanta Pharma (Mauritius) Limited

> Yogesh M. Agrawal Director

Ajanta Pharma (Mauritiu	us) Limited									
Consolidated Statement of Ch	nanges in Equit	y								
for the year ended 31 March 2021	44 2									
(Currency: MUR)										
A. Equity Share Capital						MUR				
	Balance as at 0	11 April 2020		ilty Share Capital the year	Balance as at	31 March 2021				
Authorised :	10	00.000,000.00				100,000,000.00				
Issued :	6	1,379,100.00				61,379,100.00				
Subscribed & Paid up:	6	1,379,100.00				61,379,100.00				
B. Other Equity										
Particulars	Capital Redemption Reserve	Securities Premium Account	General Reserve	Share Based Payment Reserve	Retained Enraings	Foreign Currency Translation Reserve	Other items of other comprehensive income	Total	Non- Controlling Interests	Total Equity

B. Other Equity										
Particulars	Capital Redemption Reserve	Securities Premium Account	General Reserve	Share Based Payment Reserve	Retained Earnings	Foreign Currency Translation Reserve	Other items of other comprehensive income	Total	Non- Controlling Interests	Total Equity
As at 1 April 2019		-	380,192,756		102,142,698			482,335,454		482,335,454
Profit for the period					402,294,626			492,294,626		402,294,626
Other comprehensive income		141		- 4		+				+
Total comprehensive income					402,294,626			402,294,626		402,294,626
Transfer to General reserve										
Dividend Paid					(436,578,784)			(436,578,784)		(436,578,784
At 31 March 2020			380,192,756		67,858,540	- 4		448,051,296		448,051,296
Profit for the period					361,128,164			361,128,164		361,128,164
Other comprehensive income					- Particular Control	+				
Total comprehensive income				- 0	361,128,164	+		361,128,164		361,128,164
Dividend Paid					(285,318,000)			(285,318,000)		(285,318,000
At 31 March 2021			380,192,756		143,668,704		(40)	523,861,460		523,861,460

See accompanying notes forming part of the financial statements

In terms of our report attached

For G. R. Modi & Co. Chartered Accountants

(ICAI FRN : 12617W)

Swapnil Modi Partner

Mumbai, 22 Apr., 2021 UDIN: 21107574AAAACF832

For and on behalf of Board of Directors of Ajanta Pharma (Mauritius) Limited

> Yogesh M. Agrawal Director

Notes to the Consolidated Financial Statements as on 31 March 2021

1. Corporate Information

Ajanta Pharma (Mauritius) Ltd. is a limited liability company incorporated and domiciled in Mauritius and is a wholly owned subsidiary of Ajanta Pharma Ltd., India. The address of its registered office is located at BPML Building, Royal Road, Goodlands, Mauritius. The Consolidated Financial statement ("CFS") comprises the Company and its subsidiary (referred to collectively as the "Group").

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

The Consolidated Financial Statements for the year ended 31 March 2021 have been reviewed by the Audit Committee and subsequently approved by Company's Board of Directors at it's meeting held on 22 April, 2021.

2. Basis of Preparation

These consolidated financial statements have been prepared in all material aspects in accordance with the recognition & measurement principles laid down in Indian Accounting Standards (hereinafter referred to as the 'Ind AS') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India.

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

3. Basis of Consolidation

These consolidated financial statements comprise the financial statement of the Company and its wholly owned subsidiary Ajanta Pharma Mauritius (Int'l) Ltd. The financial statements of the Company and its wholly owned subsidiary have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances, intra-group transactions and unrealised profits resulting there from and are presented to the extent possible, in the same manner as the Group's independent financial statements. The statement of profit and loss and each component of other comprehensive income are attributed to the equity holders of the Company.

These consolidated financial statements of the Company and its wholly owned subsidiary have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. The financial statements of the subsidiaries used in consolidation are drawn up to the same reporting date as that of the Company i.e., year ended 31 March 2021.

4. Functional and Presentation Currency:

Functional Currency of the Company is Mauritian Rupee (MUR).

5. Rounding of Amounts

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





Notes to the Consolidated Financial Statements as on 31 March 2021

Current / non-current classification:

The assets and liabilities in the balance sheet are presented based on current/non-current classification.

An asset is current when it is:

- · Expected to be realised or intended to be sold or consumed in normal operating cycle, or
- Held primarily for the purpose of trading, or
- · Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
 All other assets are classified as Non-Current.

A liability is current when it is:

- · Expected to be settled in normal operating cycle, or
- Held primarily for the purpose of trading, or
- · Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months
 after the reporting period. Terms of a liability that could, at the option of the counterparty, result
 in its settlement by the issue of equity instruments do not affect its classification.
 All other liabilities are treated as Non-Current.

Operating Cycle

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

Based on the nature of products / activities of the group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

7. Significant Accounting Policies

7.1 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Depreciation is calculated on the straight line method to write off the cost of assets, to their residual values over their estimated useful life as follows:

Particulars	Useful Life
Leasehold Improvement	20 years
Furniture, Fixtures & Fittings	2 to 6 years
Office Equipments	2 to 4 years
Plant & Machinery	5 to 20 years
Motor Vehicles	5 years

The asset's residual values and useful lives are reviewed and adjusted if appropriate, at each end of reporting period. Where the carrying amount of an asset is greater than its estimated recoverable





Notes to the Consolidated Financial Statements as on 31 March 2021

amount, it is written down immediately to its recoverable amount. Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in the statement of profit or loss.

7.2 Financial Instruments

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

Financial Assets

Classification

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

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

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

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

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

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

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

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

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

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





Notes to the Consolidated Financial Statements as on 31 March 2021

Investment in Equity Instruments

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

Investment in Debt Instruments

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

Derecognition of Financial Assets

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

Impairment of Financial Assets

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

Financial Liabilities

Classification

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

Initial recognition and measurement

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

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

Subsequent measurement

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an





Notes to the Consolidated Financial Statements as on 31 March 2021

exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative Financial Instrument

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

7.3 Inventories

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

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

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

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

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

7.4 Cash and Cash Equivalents

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

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

7.5 Cash Flow Statement

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

7.6 Foreign Currency Transactions

Revenue Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.





Notes to the Consolidated Financial Statements as on 31 March 2021

Monetary items denominated in foreign currencies at the year-end are re-measured at the exchange rate prevailing on the balance sheet date. Non-monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on restatement is recognised in the Statement of Profit and Loss.

7.7 Revenue Recognition

Revenue recognition under Ind AS 115 (applicable from 1 April 2018)

Under Ind AS 115, the group recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Sale of Goods

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

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

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

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

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

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

Interest income

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

Dividend income





Notes to the Consolidated Financial Statements as on 31 March 2021

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

Income from Export Benefits and Other Incentives

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

7.8 Employee Benefits

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

(i) Defined contribution plans

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

The Group pays Social Security Cost as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

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

(ii) Share-based compensation

The Group has no share-based compensation plan.

7.9 Borrowing Costs

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

7.10 Lease

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





Notes to the Consolidated Financial Statements as on 31 March 2021

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

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

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

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

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

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

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

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

Transition

Effective 1 April, 2019, the group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the group recorded the lease liability at the present value of the lease payments discounted at the generally accepted interest rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the generally accepted interest rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of MUR 6,593,744 and a lease liability of MUR 6,593,744. The cumulative effect of applying the standard, amounting to MUR Nil was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS





Notes to the Consolidated Financial Statements as on 31 March 2021

116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- b. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- d. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The interest rate applied to lease liabilities as at 1 April, 2019 is 7%.

7.11 Earnings Per Share

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

7.12 Income Taxes

Income tax expense comprises current and deferred income tax.

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

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

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

Deferred income tax assets and liabilities are measured using respective Country's tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to





Notes to the Consolidated Financial Statements as on 31 March 2021

apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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

7.13 Dividends to Shareholders

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

7.14 Provisions, Contingent Liabilities, Contingent Assets and Commitments

General

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

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

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

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

Contingent liability is disclosed in the case of:

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

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

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





Notes to the Consolidated Financial Statements as on 31 March 2021

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

Asset Retirement Obligation

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

7.15 Fair value measurement

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

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

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

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

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

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

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

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

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

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





Notes to the Consolidated Financial Statements as on 31 March 2021

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

7.16 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2021.

7.17 Critical accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities in future periods.

(a) Arrangement containing lease

At the inception of an arrangement, the Group determines whether the arrangement is or contains a lease. At the inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for the other elements on the basis of their relative fair values.

The Group has determined, based on an evaluation of the terms and conditions of the arrangements that such contracts are in the nature of operating leases.

(b) Multiple element contracts with vendors

The Group has entered into multiple element contracts with vendors for supply of goods and rendering of services. The consideration paid is/may be determined independent of the value of supplies received and services availed. Accordingly, the supplies and services are accounted for based on their relative fair values to the overall consideration. The supplies with finite life under the contracts (as defined in the significant accounting policies) have been accounted under Property, Plant and Equipment and/or as Intangible assets, since the Group has economic ownership in these assets. The Group believes that the current treatment represents the substance of the arrangement.

(c) Determination of functional currency

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

(d) Property, Plant and equipment

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





Notes to the Consolidated Financial Statements as on 31 March 2021

(e) Intangible Assets

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

(f) Recognition and measurement of defined benefit obligations

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

(g) Recognition of deferred tax assets and income tax

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

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

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

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments.

(h) Recognition and measurement of other provisions

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

(i) Contingencies

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

(j) Allowance for uncollected accounts receivable and advances





Notes to the Consolidated Financial Statements as on 31 March 2021

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management seems them not collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

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

(k) Insurance claims

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

(l) Impairment reviews

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





ant	a Pharma	Ajanta Pharma (Mauritius) Limited												
tes t	the Cons	Notes to the Consolidated Financial Statements (Continued)	nts (Continued											
18 11	as at 31 March 2021													
100	Currency: MUR)													
T	Property, Plan	Property, Plant and Equipment										INMUR		
Ĺ	Current Year													
				Gross Block	c (Cost Or Deemed Cost)	emed Cost)	Section Control		Accumulated	Depreciation	Accumulated Depreciation/Americation		Net Block	
Г		The section of	01 April 2020	Additions	Disposals	Adjustments	31 March 2021	01 April 2020	For the	Disposals	Adjustments	31 March 2021	31 March 2021	31 Mar 2030
Г		Particulars							Year					
		Property, Plant & Equipment					Contract of the			1				
		Leasehold Improvement	6,495,235	1000	9.		6,495,235	4,461,996	10,330	- (4)		4,472,326	2,022,909	2,033,239
		Plant & Machinery	87,886,978	522,468			88,409,446	59,586,654	1,073,760			60,660,414	27,749,032	28,300,334
		Fumiliate & fixture	7,360,097	34,780			7,394,877	5,489,446	348,500			5,837,946	1,556,931	1,870,651
		Office Equipment	18,943,255	106,785	*		19,050,040	17,370,102	160,516			17,530,618	1,519,422	1,573,153
Г		Vehicles	8,323,407				8,323,407	5,113,810	613,820			5,727,630	2,595,777	3,209,597
		Computers		470,052			470,052		55,552			55,552	414,500	4
Г		Total	129,008,972	1,134,665			130,143,057	92,022,007	2,262,478			94,284,485	35,858,571	36,986,964
Г		Previous Year	123,396,585	5,612,387			129,008,972	88,665,025	3,356,982			92,022,007	36,986,964	34,731,559
	(B)	Other Intangible Assets		W. S. C.		1				The same of				
		Right to use	6,593,744				6,593,744	2,197,915	2,197,915	*		4,395,830	2,197,914	4,395,829
		Total	6,593,744				6,593,744	2,197,915	2,197,915			4,395,830	2,197,914	4,395,829
Г		Previous Year		6,593,744		*	6,593,764		2,197,915			2,197,915	4,395,829	*
		Total Fixed Assets											38,656,486	41,382,794





	to the Consolidated Financial Statements (Contin	ued)				
s at 31	March 2021					
Currenc	y: MUR)					
	,					
	la constant de la con			31 March 2021		31 March 2020
				MAU. Rs		MAU, Rs
9	Investments (non current)					
	Investment at Fair Value through statement of Profit or Loss					
	In Mutual Funds (Quoted)		1.0			
		Face Value ₹	No. of Units *			
	Greenland Global Fund - Sub Fund A - Class B RPS - Series 8					18,932,187
	C1 - 11 D - 10D 1		(450)			10.014.693
	Silverdale Fund SP-1		(8,263)			40,915,572
			(0,203)			59,847,759
10	Other Non-Current Financial Assets					
	(Unsecured, Considered Good unless otherwise stated)					
	Security Deposits			1,177,322		1,177,321
			-	1,177,322		1,177,321
- 11	Inventories Raw materials			19,828,124		5,972,891
	Packing materials			3,391,831		3,121,472
	Work-in-process			1,115,881		3,342,643
	Finished goods			6,044,917		5,264,422
	Stock-in-trade			156,118,157		1,899,972
				186,498,910		19,601,400
12	Investments (non current)					
	Investment at Fair Value through statement of Profit or Loss					
	In Mutual Funds (Quoted)	Face Value ₹	No. of Units *			
	LC Beacon Fund	7,336	50,000	201,960,158		-
		11/00/27	(•)			
				201,960,158		
	and the same of th					
13						
	Unsecured, considered good unless otherwise stated			55,389,040		170,738,021
	-Considered good			55,389,040		170,738,021
						1.0000000000000000000000000000000000000
14	Cash and cash equivalents					
	Cash on Hand			39,724		34,610
	Balance with Banks - In current accounts			77,153,376		150,832,958 150,867,568
				77,193,100		139,897,308
	01 0 11 1					
15	Other Current Assets Advances to Related Parties (APL)			90,923,163		117,321,864
	Advances to Employees			11,671,399		11,903,660
	Advances to Suppliers			1,286,979		
	Income tax paid (net provision)					
	Balance with Statutory/Govt. Authorities			2,984,552		
				106,866,093		129,225,524
				100,000,073		227,220,224
14	Equity Share Capital					
16	Equity Share Capital		31 March 2021	31 March 2021	31 March 2020	31 March 2020
			Number of Shares	MAU. Rs	Number of Shares	MAU, Rs
	Authorised :		0,000		7.227.22	200,000,000
	Ordinary Shares of MUR 100 each		1,000,000	100,000,000	1,000,000	100,000,000
	Issued, Subscribed & Paid up : Ordinary Shares of MUR 100 each fully paid up		613,791	61,379,100	613,791	61,379,100
			212/173	orprofeso.		





Ajan	ta Pharma (Mauritius) Limited				
later	to the Consolidated Financial Statements (Continued)				
	to the Consolidated Financial Statements (Continued)				
s at si	March 2021				
Curren	ey: MUR)				
	y. many				
			31 March 2021		31 March 2020
			MAU. Rs		MAU, Rs
					1111101310
	(a) Reconciliation of number of equity shares outstanding at the beginni	ng and at the end of the year :			
		31 March 2021	31 March 2021	31 March 2020	31 March 2020
		Number of Shares	MAU. Rs	Number of Shares	MAU, Rs
	Number of shares outstanding as at the beginning of the year	613,791	61,379,100	613,791	61,379,100
	Add: Number of shares allotted as fully paid-up during the		- N 0-0	- 19,000,700	
	year			+	
	Less: Number of shares bought back during the year	-			
	Number of shares outstanding as at the end of the year	613,791	61,379,100	613,791	61,379,100
	(b) Rights, preferences and restrictions attached to shares				
-	The company has issued only one class of ordinary shares with voting rights	having a par value of MUR100 p	er share.		
	During the year ended 31 March 2020, amount per share of dividend recogni	sed as distributions to equity shar	reholders was MUR 7	11.28 per equity shar	e (Pr.Yr. MUR 51
			cets of the company	The distribution will b	
	In the event of liquidation of the company, the holders of equity shares will be	e entitled to receive remaining as	ses of the company.	I DE GISHTOURON WILL	e in proportion to
	of equity shares held by shareholders.	e estitled to receive remaining as	eco or the company.	THE GISHTOURION WITH	e in proportion to
	of equity shares held by shareholders.	e entitled to receive remaining as	nes or the company.	THE GISHIOGROSS WILL	se in proportion to
	of equity shares held by shareholders. (c) Details of equity shareholders holding more than 5%				
	of equity shares held by shareholders.	31 March 2021	31 March 2021	31 March 2020	31 March 2020
	of equity shares held by shareholders. (c) Details of equity shareholders holding more than 5% Name of Shareholder	31 March 2021 Number of Shares	31 March 2021 % Holding	31 March 2020 Number of Shares	31 March 2020 % Holding
	of equity shares held by shareholders. (c) Details of equity shareholders holding more than 5%	31 March 2021	31 March 2021	31 March 2020	31 March 2020
	of equity shares held by shareholders. (c) Details of equity shareholders holding more than 5% Name of Shareholder Ajanta Pharma Ltd., India	31 March 2021 Number of Shares 613,791	31 March 2021 % Holding 100.00	31 March 2020 Number of Shares 613,791	31 March 2020 % Holding 100.00
	of equity shares held by shareholders. (c) Details of equity shareholders holding more than 5% Name of Shareholder	31 March 2021 Number of Shares	31 March 2021 % Holding	31 March 2020 Number of Shares	31 March 2020 % Holding
17	of equity shares held by shareholders. (c) Details of equity shareholders holding more than 5% Name of Shareholder Ajanta Pharma Ltd., India	31 March 2021 Number of Shares 613,791	31 March 2021 % Holding 100.00	31 March 2020 Number of Shares 613,791	31 March 2020 % Holding 100.00
17	of equity shares held by shareholders. (c) Details of equity shareholders holding more than 5% Name of Shareholder Ajanta Pharma Ltd., India (d) Shares reserved for issue under options OTHER EQUITY General Reserve	31 March 2021 Number of Shares 613,791	31 March 2021 % Holding 100.00	31 March 2020 Number of Shares 613,791	31 March 2020 % Holding 100.00
17	of equity shares held by shareholders. (c) Details of equity shareholders holding more than 5% Name of Shareholder Ajanta Pharma Ltd., India (d) Shares reserved for issue under options OTHER EQUITY General Reserve Balance at the beginning of the year	31 March 2021 Number of Shares 613,791	31 March 2021 % Holding 100.00	31 March 2020 Number of Shares 613,791	31 March 2020 % Holding 100.0
17	of equity shares held by shareholders. (c) Details of equity shareholders holding more than 5% Name of Shareholder Ajanta Pharma Ltd., India (d) Shares reserved for issue under options OTHER EQUITY General Reserve	31 March 2021 Number of Shares 613,791	31 March 2021 % Holding 100.00 Nil 380,192,756	31 March 2020 Number of Shares 613,791	31 March 2020 % Holding 100.0 Ni 380,192,75
17	of equity shares held by shareholders. (c) Details of equity shareholders holding more than 5% Name of Shareholder Ajanta Pharma Ltd., India (d) Shares reserved for issue under options OTHER EQUITY General Reserve Balance at the beginning of the year	31 March 2021 Number of Shares 613,791	31 March 2021 % Holding 100.00 Nil	31 March 2020 Number of Shares 613,791	31 March 2020 % Holding 100.00 Ni 380,192,750
17	of equity shares held by shareholders. (c) Details of equity shareholders holding more than 5% Name of Shareholder Ajanta Pharma Ltd., India (d) Shares reserved for issue under options OTHER EQUITY General Reserve Balance at the beginning of the year Add: Transferred from Statement of Profit & Loss	31 March 2021 Number of Shares 613,791	31 March 2021 % Holding 100.00 Nil 380,192,756	31 March 2020 Number of Shares 613,791	31 March 2020 % Holding 100.00 Ni 380,192,750
17	of equity shares held by shareholders. (c) Details of equity shareholders holding more than 5% Name of Shareholder Ajanta Pharma Ltd., India (d) Shares reserved for issue under options OTHER EQUITY General Reserve Balance at the beginning of the year	31 March 2021 Number of Shares 613,791	31 March 2021 % Holding 100.00 Nil 380,192,756	31 March 2020 Number of Shares 613,791	31 March 2020 % Holding 100.00 Ni 380,192,750
17	of equity shares held by shareholders. (c) Details of equity shareholders holding more than 5% Name of Shareholder Ajanta Pharma Ltd., India (d) Shares reserved for issue under options OTHER EQUITY General Reserve Balance at the beginning of the year Add: Transferred from Statement of Profit & Loss Exchange Fluctuation Reserve Surplus in the Statement of Profit and Loss	31 March 2021 Number of Shares 613,791	31 March 2021 % Holding 100.00 Nil 380,192,756	31 March 2020 Number of Shares 613,791	31 March 2020 % Holding 100.00 Ni 380,192,750
17	of equity shares held by shareholders. (c) Details of equity shareholders holding more than 5% Name of Shareholder Ajanta Pharma Ltd., India (d) Shares reserved for issue under options OTHER EQUITY General Reserve Balance at the beginning of the year Add: Transferred from Statement of Profit & Loss Exchange Fluctuation Reserve Surplus in the Statement of Profit and Loss Balance at the beginning of the year	31 March 2021 Number of Shares 613,791	31 March 2021 % Holding 100.00 Nil 380,192,756 380,192,756	31 March 2020 Number of Shares 613,791	31 March 2020 % Holding 100.00 Ni 380,192,750 380,192,750
17	of equity shares held by shareholders. (c) Details of equity shareholders holding more than 5% Name of Shareholder Ajanta Pharma Ltd., India (d) Shares reserved for issue under options OTHER EQUITY General Reserve Balance at the beginning of the year Add: Transferred from Statement of Profit & Loss Exchange Fluctuation Reserve Surplus in the Statement of Profit and Loss Balance at the beginning of the year Profit for the year	31 March 2021 Number of Shares 613,791	31 March 2021 % Holding 100.00 Nil 380,192,756	31 March 2020 Number of Shares 613,791	31 March 2020 % Holding 100.00 Ni 380,192,750 380,192,750
17	of equity shares held by shareholders. (c) Details of equity shareholders holding more than 5% Name of Shareholder Ajanta Pharma Ltd., India (d) Shares reserved for issue under options OTHER EQUITY General Reserve Balance at the beginning of the year Add: Transferred from Statement of Profit & Loss Exchange Fluctuation Reserve Surplus in the Statement of Profit and Loss Balance at the beginning of the year Profit for the year Less: Appropriations	31 March 2021 Number of Shares 613,791	31 March 2021 % Holding 100.00 Nil 380,192,756 380,192,756 67,858,540 361,128,164	31 March 2020 Number of Shares 613,791	31 March 2020 % Holding 100.00 Ni 380,192,750 380,192,750
17	of equity shares held by shareholders. (c) Details of equity shareholders holding more than 5% Name of Shareholder Ajanta Pharma Ltd., India (d) Shares reserved for issue under options OTHER EQUITY General Reserve Balance at the beginning of the year Add: Transferred from Statement of Profit & Loss Exchange Fluctuation Reserve Surplus in the Statement of Profit and Loss Balance at the beginning of the year Profit for the year Less: Appropriations - Dividend Paid on Equity Shares	31 March 2021 Number of Shares 613,791	31 March 2021 % Holding 100.00 Nil 380,192,756 380,192,756	31 March 2020 Number of Shares 613,791	31 March 2020 % Holding 100.00 Ni 380,192,750 380,192,750
17	of equity shares held by shareholders. (c) Details of equity shareholders holding more than 5% Name of Shareholder Ajanta Pharma Ltd., India (d) Shares reserved for issue under options OTHER EQUITY General Reserve Balance at the beginning of the year Add: Transferred from Statement of Profit & Loss Exchange Fluctuation Reserve Surplus in the Statement of Profit and Loss Balance at the beginning of the year Profit for the year Less: Appropriations - Dividend Paid on Equity Shares - Transferred from retained earnings	31 March 2021 Number of Shares 613,791	31 March 2021 % Holding 100.00 Nil 380,192,756 380,192,756 67,858,540 361,128,164 285,318,000	31 March 2020 Number of Shares 613,791	31 March 2020 % Holding 100.00 Ni 380,192,756 - 380,192,756 - 102,142,699 402,294,620 436,578,78
17	of equity shares held by shareholders. (c) Details of equity shareholders holding more than 5% Name of Shareholder Ajanta Pharma Ltd., India (d) Shares reserved for issue under options OTHER EQUITY General Reserve Balance at the beginning of the year Add: Transferred from Statement of Profit & Loss Exchange Fluctuation Reserve Surplus in the Statement of Profit and Loss Balance at the beginning of the year Profit for the year Less: Appropriations - Dividend Paid on Equity Shares	31 March 2021 Number of Shares 613,791	31 March 2021 % Holding 100.00 Nil 380,192,756 380,192,756 67,858,540 361,128,164	31 March 2020 Number of Shares 613,791	31 March 2020 % Holding 100.0 Ni 380,192,75 380,192,75 - 102,142,69 402,294,62 436,578,78
17	of equity shares held by shareholders. (c) Details of equity shareholders holding more than 5% Name of Shareholder Ajanta Pharma Ltd., India (d) Shares reserved for issue under options OTHER EQUITY General Reserve Balance at the beginning of the year Add: Transferred from Statement of Profit & Loss Exchange Fluctuation Reserve Surplus in the Statement of Profit and Loss Balance at the beginning of the year Profit for the year Less: Appropriations - Dividend Paid on Equity Shares - Transferred from retained earnings Balance at the year end	31 March 2021 Number of Shares 613,791	31 March 2021 % Holding 100.00 Nil 380,192,756 380,192,756 67,858,540 361,128,164 285,318,000 143,668,704	31 March 2020 Number of Shares 613,791	31 March 2020 % Holding 100.00 Ni 380,192,750 380,192,750 - 102,142,699 402,294,620 436,578,78
	of equity shares held by shareholders. (c) Details of equity shareholders holding more than 5% Name of Shareholder Ajanta Pharma Ltd., India (d) Shares reserved for issue under options OTHER EQUITY General Reserve Balance at the beginning of the year Add: Transferred from Statement of Profit & Loss Exchange Fluctuation Reserve Surplus in the Statement of Profit and Loss Balance at the beginning of the year Profit for the year Less: Appropriations - Dividend Paid on Equity Shares - Transferred from retained earnings Balance at the year end	31 March 2021 Number of Shares 613,791	31 March 2021 % Holding 100.00 Nil 380,192,756 380,192,756 67,858,540 361,128,164 285,318,000 143,668,704	31 March 2020 Number of Shares 613,791	31 March 2020 % Holding 100.00 Ni 380,192,750 380,192,750 - 102,142,699 402,294,620 436,578,78
	of equity shares held by shareholders. (c) Details of equity shareholders holding more than 5% Name of Shareholder Ajanta Pharma Ltd., India (d) Shares reserved for issue under options OTHER EQUITY General Reserve Balance at the beginning of the year Add: Transferred from Statement of Profit & Loss Exchange Fluctuation Reserve Surplus in the Statement of Profit and Loss Balance at the beginning of the year Profit for the year Less: Appropriations -Dividend Paid on Equity Shares -Transferred from retained earnings Balance at the year end Total Other Equity	31 March 2021 Number of Shares 613,791	31 March 2021 % Holding 100.00 Nil 380,192,756 380,192,756 67,858,540 361,128,164 285,318,000 143,668,704	31 March 2020 Number of Shares 613,791	31 March 2020 % Holding 100.00 Ni 380,192,756
	of equity shares held by shareholders. (c) Details of equity shareholders holding more than 5% Name of Shareholder Ajanta Pharma Ltd., India (d) Shares reserved for issue under options OTHER EQUITY General Reserve Balance at the beginning of the year Add: Transferred from Statement of Profit & Loss Exchange Fluctuation Reserve Surplus in the Statement of Profit and Loss Balance at the beginning of the year Profit for the year Less: Appropriations - Dividend Paid on Equity Shares - Transferred from retained earnings Balance at the year end Total Other Equity Lease liability	31 March 2021 Number of Shares 613,791	31 March 2021 % Holding 100.00 Nil 380,192,756 380,192,756 67,858,540 361,128,164 285,318,000 143,668,704 523,861,460	31 March 2020 Number of Shares 613,791	31 March 2020 % Holding 100.00 Ni 380,192,750 380,192,750
	of equity shares held by shareholders. (c) Details of equity shareholders holding more than 5% Name of Shareholder Ajanta Pharma Ltd., India (d) Shares reserved for issue under options OTHER EQUITY General Reserve Balance at the beginning of the year Add: Transferred from Statement of Profit & Loss Exchange Fluctuation Reserve Surplus in the Statement of Profit and Loss Balance at the beginning of the year Profit for the year Less: Appropriations - Dividend Paid on Equity Shares - Transferred from retained earnings Balance at the year end Total Other Equity Lease liability	31 March 2021 Number of Shares 613,791	31 March 2021 % Holding 100.00 Nil 380,192,756 380,192,756 67,858,540 361,128,164 285,318,000 143,668,704 523,861,460	31 March 2020 Number of Shares 613,791	31 March 2020 % Holding 100.00 Ni 380,192,756 380,192,756
	of equity shares held by shareholders. (c) Details of equity shareholders holding more than 5% Name of Shareholder Ajanta Pharma Ltd., India (d) Shares reserved for issue under options OTHER EQUITY General Reserve Balance at the beginning of the year Add: Transferred from Statement of Profit & Loss Exchange Fluctuation Reserve Surplus in the Statement of Profit and Loss Balance at the beginning of the year Profit for the year Less: Appropriations - Dividend Paid on Equity Shares - Transferred from retained earnings Balance at the year end Total Other Equity Lease liability Lease liability	31 March 2021 Number of Shares 613,791	31 March 2021 % Holding 100.00 Nil 380,192,756 380,192,756 67,858,540 361,128,164 285,318,000 143,668,704 523,861,460	31 March 2020 Number of Shares 613,791	31 March 2020 % Holding 100.00 Ni 380,192,750 380,192,750
18	of equity shares held by shareholders. (c) Details of equity shareholders holding more than 5% Name of Shareholder Ajanta Pharma Ltd., India (d) Shares reserved for issue under options OTHER EQUITY General Reserve Balance at the beginning of the year Add: Transferred from Statement of Profit & Loss Exchange Fluctuation Reserve Surplus in the Statement of Profit and Loss Balance at the beginning of the year Profit for the year Less: Appropriations - Dividend Paid on Equity Shares - Transferred from retained earnings Balance at the year end Total Other Equity Lease liability Lease liability	31 March 2021 Number of Shares 613,791	31 March 2021 % Holding 100.00 Nil 380,192,756 380,192,756 67,858,540 361,128,164 285,318,000 143,668,704 523,861,460	31 March 2020 Number of Shares 613,791	31 March 2020 % Holding 100.00 Ni 380,192,750 380,192,750





otes	to the Consolidated Financial Statements (Continued)				
	March 2021				
urreno	ey: MUR)				
			31 March 2021	3	1 March 2020
			MAU. Rs		MAU. Rs
20	Parama from Operations				
20	Revenue from Operations Sale of Products				
	Finished Goods		69,350,124		94,355,65
	Stock-in-Trade		1,400,978,863		1,521,446,51
	Steen as Time		1,470,328,987		1,615,802,16
			1,		1,011,002,110
21	Other Income				
	Exchange Difference (Net)		87,741,734		37,482,81
	Gain from Mutual Fund Investment		3,278,145		7,791,35
	Miscellaneous Income		1,846,495		81,96
	210.00.000		92,866,374		45,356,13
22	Cost of Material Consumed				
	Raw Material consumed		500,000,000		
	Opening Stock		5,972,891		10,512,87
	Add : Purchases		23,392,813		13,136,16
	The same and the s		29,365,704		23,649,04
	Less: Closing Stock		19,828,124		5,972,89
	Raw Material Consumed		9,537,580		17,676,14
	Packing Material Consumed				100000000
	Opening Stock		3,121,472		3,720,04
	Add : Purchases		3,287,459		2,778,66
			6,408,931		6,498,71
	Less: Closing Stock		3,391,831		3,121,47
_	Packing Material Consumed		3,017,100 12,554,680	-	3,377,24
_			12,554,680		21,053,36
	Purchase of Stock-in-Trade		026 226 661		528,142,91
23	Purchase of Stock-in-Trade		936,776,561		328,142,71.
24	Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade				
44					
	Inventories at the end of the year : Work-in-Process		1,115,881		3,342,64
	Finished Goods		6,044,917		5,264,42
	Stock-in-trade		156,118,157		1,899,97
	Stock artistic	(A)	163,278,955		10,507,03
	Inventories at the beginning of the year :	6.9	100000000		
	Work-in-Process		3,342,643		2,537,06
	Finished Goods		5,264,422		2,694,32
	Stock-in-trade		1,899,972		4,645,96
	Construction of the constr	(B)	10,507,037		9,877,34
	Effect of foreign exchange translation		100000000000000000000000000000000000000		
	Work-in-progress				
	Finished goods				
	Stock-in-trade				
		(C)	0.00		
	Total changes in Inventories of Finished Goods, Work-in-progress and Stock-in-T	rade :			
	Work-in-Process		2,226,762		(805,57)
	Finished Goods		(780,495)		(2,570,09
	Stock-in-Trade		(154,218,185)		2,745,99
	Total changes in Inventories of Finished Goods, Work-in-progress and Stock-in-T	(B) - (A) + (C)	(152,771,918)		(629,68
-					
25	Empolyce Benefit Expenses		22.000.000		44 544 44
	Salaries, Wages, Bonus and Allowances Contribution to Provident and Other Funds		22,859,325		32,761,62
	0.0 (0.0) (0.		838,504		644,04
	Staff Welfare Expenses		255,317 23,953,146		314,74
			43,733,140		33,720,41
26	Finance Cost				
	On lease liability		326,132		461,56
			326,132		461,56
			220,132	WAUR	771,70
	11001			1/80	1
				120 10	
	19/			(MAURITIUS)	-1
	M NA NA			14.	

Ajan	ta Pharma (Mauritius) Limited		
Notes	to the Consolidated Financial Statements (Continued)		
	March 2021		
Сигтепо	ey: MUR)		
		31 March 2021 MAU, Rs	31 March 2020
		MAU. RS	MAU, Rs
27	Depreciation		
-	Depreciation of Tangible Assets (Refer note 4)	4,460,393	5,554,897
		4,460,393	5,554,897
28	Other Expenses		
-	Selling Expenses	344,675,299	619,383,286
	Clearing and Forwarding	3,383,790	11,718,033
	Travelling Expenses	22,266	8,990,551
	Power and Fuel	990,531	1,116,002
	Rent	65,650	40,800
	Telephone, Telex & Postage	204,813	509,636
	Repairs to Machinery	1,173,108	918,100
	Insurance	742,466	247,867
	Exchange Difference (Net)		
	Corporate Social Responsibility Expenses	600,000	470,000
	Miscellaneous Expenses	8,257,549	6,856,999
		360,115,472	650,251,274





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

29. Capital Management

Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders. The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position. Group's target is to achieve a return on capital above 30%; in 2020-21 the return was 65% and in 2019-20 the return was 83%.

Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents and short-term investments. Adjusted equity comprises all components of equity.

Group's policy is to keep the ratio below 1.00 and its adjusted net debt to equity ratio at 31 March 2021 was as follows.

MUR

THE GOLD TO THE			11864
Particulars		31 March 2021	31 March 2020
Debt			•
Less: Cash and Cash equivalents		77,193,100	150,867,568
Net Debt	A	(77,193,100)	(150,867,568)
Equity	В	585,240,560	509,430,396
Net Debt to Equity ratio	A/B	400000000000000000000000000000000000000	

30. Earnings Per share (EPS):

The numerator and denominator used to calculate Basic and Diluted Earnings per Share:

Particulars		31 March 2021	31 March 2020
Basic and Diluted Earnings Per Share:			
Profit attributable to Equity shareholders- for	A	361,128,164	402,294,626
Basic EPS (MUR)			
Add: Dilutive effect on profit (MUR)	В	Nil	Nil
Profit attributable to Equity shareholders for computing Diluted EPS (MUR)	C=A-B	361,128,164	402,294,626
Weighted Average Number of Equity Shares outstanding - for Basic EPS	D	613,791	613,791
Add: Dilutive effect of option outstanding- Number of Equity Shares	Е	Nil	Nil
Weighted Average Number of Equity Shares for Diluted EPS	F=D+E	613,791	613,791
Face Value per Equity Share (MUR)		100	100
Basic Earnings Per Share (MUR)	A/D	588.36	655.43
Diluted Earnings Per Shares (MUR)	C/F	588.36	655.43

31. Employee Benefits

As required by Ind AS 19 'Employee Benefits', the Group offers its employees Social Security Cost and Severance Allowance. During the year, the Group has recognised the following amounts in the account:

		418.50.65
Particulars	31 March 2021	31 March 2020
Social Security Cost	2,788,287	628,044
Severance Allowance	150,606	336,918
Total	2,938,893	964,962
Total	2,938,893	





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

For employees who are not covered by a pension plan, the net present value of severance allowances payable is provided for under the Employment Rights Act. It has been assumed that the rate of future salary increases will be equal to the discount rate.

32. Financial Instrument - fair values and risk management

Fair value measurements				MUR	
AND THE OWN THE OWN	31 M	arch 2021	31 March 2020		
Financial Instruments by category	FVTPL	Amortised Cost	FVTPL	Amortised Cost	
Financial Assets				Con	
Investment in Mutual Funds	201,960,158		59,847,759		
Trade Receivables	#1	55,389,040	100000000000000000000000000000000000000	170,738,021	
Other Non-Current Financial Assets		1,177,322	1.5	1,177,321	
Cash and cash equivalents	-	77,193,100		150,867,568	
Total Financial Assets	201,960,158	133,759,462	59,847,759	322,782,910	
Financial Liabilities					
Non-Current Lease Liability	-	2,469,066	100	4,659,026	
Other Current Financial Liabilities		79,431,483		58,750,964	
Total Financial Liabilities		81,900,549		63,409,990	

Fair Value Hierarchy						MUR
Financial assets and liabilities measured at fair value		arch Leve	2021 I	31 March 2020 Level		020
	1	11	Ш	1	11	III
Financial assets						
Non-recurring fair value measurement						
Investment in Mutual Funds	201,960,158	-				
				59,847,759		
Trade Receivables			55,389,040			
			-200004-00000			170,738,021
Other Non-Current Financial Assets	-		1,177,322		-	1,177,321
Cash and cash equivalents			77,193,100			
arana						150,867,568
Total Financial Assets		•			*	
	201,960,158		133,759,462	59,847,759		322,782,910
Financial Liabilities						
Non-Current Lease Liability			2,469,066			4,659,026
Other Current Financial Liabilities			79,431,483			58,750,964
Total Financial Liabilities			81,900,549			63,409,990

Level 1 – The hierarchy in level 1 includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2 – The fair value of financial instruments that are not traded in an active market (like forward contracts) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value as instrument are observable, the instrument is included in level 2.





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

Level 3 – If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, etc. included in level 3.

A. Financial risk management

Group has exposure to following risks arising from financial instruments:

- · Credit risk
- · Liquidity risk
- · Market risk

Risk management framework

Group's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the Company's risk management policies, under the guidance of Audit Committee.

Group's risk management policies are established to identify and analyse the risks faced by it, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. Group, through its training and procedures aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Group's Audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

i. Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables).

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

	MU	UR
Particulars	31 March 2021	31 March 2020
Not past due but impaired	*** *** **** **** **** ****	
Not past due not impaired	867,264	143,616,649
Past due not impaired	54,521,776	27,121,373
- 1-180 days	54,521,776	23,973,766
- 181-365 days	*	3,147,606
- more than 365 days		20 20 3
Past due impaired	-	
- 1-180 days		
- 181-365 days	· ·	34
- more than 365 days	•	

a) Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Trade receivables, which are non-interest bearing, are mainly from stockists, distributors and customers. Except for, one large client, the Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.



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

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The group does not hold collateral as security. The group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

b) Financial instruments

Company limits its exposure to credit risk by investing only in liquid debt securities issued by mutual funds having a credit ranking of at least 3 and above from CRISIL or equivalent rating agency. Company monitors changes in credit risk by tracking published external credit ranking. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties.

ii. Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt and overdraft from banks at an optimised cost. Working capital requirements are adequately addressed by internally generated funds. Trade receivables are kept within manageable levels.

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. All transactions are carried out within the guidelines set by the risk management committee.

The sensitivity analysis have been prepared on the basis of derivatives and the proportion of financial instruments in foreign currencies are all constant. The analysis excludes the impact of movements in market variables on the carrying value of postemployment benefit obligations, provisions and on the non-financial assets and liabilities. The sensitivity of the relevant income statement item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 31 March 2021 and 31 March 2020.

a) Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated. The currencies in which these transactions are primarily denominated are US Dollars, Euro and Mauritian Rupee.

The Group does not have any policy to hedge against foreign currency exposure. In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The following table analyses foreign currency risk as of 31 March 2021 and 31 March 2020:





Ajanta Pharma (Mauritius) Limited

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

		MUR
Particulars	31 March 2021	31 March 2020
Bank Balances	77,193,100	170,738,021
Trade Receivables	55,389,040	150,867,568
Other Current Assets	106,866,093	129,225,524
Net Assets / (Liabilities)	239,448,233	470,432,513

For the year ended 31 March 2021 and 31 March 2020, every percentage point depreciation / appreciation in the exchange rate between the MUR and respective currencies has affected the Group's incremental profit before tax as per below:

 Year
 Change in currency exchange rate
 Effect on profit before tax

 31 March 2021
 +5% / (-5%)
 7,315,610 / (7,315,610)

 31 March 2020
 +5% / (-5%)
 14,402,994 / (14,402,994)

33. Note on foreign currency exposures on assets and liabilities:

During the year, the Group has not entered into Forward Exchange Contract. The year-end foreign currency exposures that have not been mitigated by a derivative instrument or otherwise are as below:

	MU	R	Foreign C	Position.	
Particulars	31 March 2021	31 March 2020	31 March 2021	31 March 2020	Foreign Currency
Amount Receivable	52,350,774	288,059,885	1,170,060	6,699,619	EURO
	93,961,429		2,302,920		USD

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 changes in market interest rates. The Group's exposure to the risk of changes in market interest rates is Nil as there are no borrowings in the Group.

c) Price risk

Group does not have any exposure to price risk, as there is no equity investments by group.

34. Disclosure for operating leases under Ind AS 116 - "Leases":

The Group have taken various premises under operating lease. These are generally cancellable and ranges from 11 months to 5 years and are renewable by mutual consent on mutually agreeable terms. Some of these lease agreements have price escalation clauses. There are no restrictions imposed by lease arrangements and there are no sub leases. There are no contingent rents. The lease payments of MUR 65,650 (Previous Year MUR 40,800) are recognised in Statement of Profit and Loss under "Rent" under Note 21.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the generally accepted interest rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the generally accepted interest rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.



Ajanta Pharma (Mauritius) Limited

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

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of MUR 6,593,744 and a lease liability of MUR 6,593,744. The cumulative effect of applying the standard, amounting to MUR Nil was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- b. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial
 application.
- d. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed under Note 21 of the 2019 Annual Report and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The interest rate applied to lease liabilities as at April 1, 2019 is 7%.

The future minimum lease payments and payment profile of non-cancellable operating leases are as

MILOUR.		174-074-0
Particulars	31 March 2021	31 March 2020
Not later than one year	1,982,272	1,736,063
Later than one year but not later than five years	8,421,500	10,403,772
Less than five years	Nil	Nil

35. Contingent Liabilities and commitments:

There are no contingent liabilities and commitments by the Group.

36. Related party disclosure as required by Ind AS 24 are given below:

A) Relationships:

Category I - Holding Company

Ajanta Pharma Ltd., India

(Holding Company)

Category II - Directors, Key Management Personnel & their Relatives:

Mr. Vinayak Muzumdar

Director (APML)

Mr. Suttian Deerpaul

Director (APML)

& Relatives of Key Management Personnel

B) F) Following transactions were carried out with related parties:					
Sr. No.	Particulars	Category	31 March 2021	31 March 2020		
1,	Purchase of Goods:					
1,3/25	Ajanta Pharma Ltd., India	1	933,149,372	707,662,073		





Ajanta Pharma (Mauritius) Limited

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

2.	Key Management Compensation:			
	Short Term Employee Benefits			
	Vinayak Muzumdar & Suttian Deerpaul	II	5,373,828	4,440,352
3.	Dividend Paid to Ajanta Pharma Ltd., India	1	285,318,000	436,578,784

C) Amou	nt outstanding as on 31 March 2	MUR			
Sr. No.	Particulars	Category	31 March 2021	31 March 2020	
1.	Advance Receivable :	120000000000000000000000000000000000000			
	Ajanta Pharma Ltd., India	1	90,923,163	117,321,864	

37. Contribution towards Corporate Social Responsibility

The particu	lars of CSR expenditure are as follows:		MUR
Sr. No.	Particulars	31 March 2021	31 March 2020
a.	Construction/ acquisition of asset	Nil	Nil
b.	On purposes other than (a) above	600,000	470,000

38.	Remuneration to Auditors:	MUR		
	Particulars	31 March 2021	31 March 2020	
	Audit Fees	568,000	640,000	
	For Certification and Other Matters	Nil	0.01	

39. Impact of COVID-19 (Global Pandemic)

The Group continued to take into account the possible impact of COVID-19 in preparation of financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue and on costs. The Group has been able to effectively manage the operations till now with appropriate precautions, without any significant impact of COVID-19 on the business. The Company will continue to closely monitor future economic conditions to ensure business continuity.

The Group has one segment of activity namely "Pharmaceuticals". 40.

In terms of our report attached

For G. R. Modi & Co. Chartered Accountants

(ICAI FRN: 112617W)

Swapnil Modi

Partner UDIN:

21107574AAAACF8316 Mumbai, 22 April 2021

For and on behalf of Board of Directors of Ajanta Pharma (Mauritius) Limited

Yogesh M. Agrawal

Director





G. R. MODI 🔁 CO.

Chartered Accountants

12, Laxminarayan Shopping Center, 1st Floor, Poddar Road, Malad (E), Mumbai - 400097 Tel No. 91-22-28884274 - 28819304 Fax No. 91-22-28819304 email: swapnil@modiconsultancy.com

Independent Auditor's Report
To the Members of AJANTA PHARMA PHILIPPINES INC.

Report on the Standalone Financial Statements

The accounts of AJANTA PHARMA PHILIPPINES INC. are being audited under the local laws of the country by the statutory auditor for the period 1st Jan 2020 to 31st December 2020. The company follows the period 1st April 2020 to 31st March 2021. In order to consolidate the accounts of AJANTA PHARMA PHILIPPINES INC, with that of the company, we have been appointed by the management of the company to audit the reinstated accounts of AJANTA PHARMA PHILIPPINES INC, for the period 1st April 2020 to 31st March 2021 under the companies Act in accordance with generally accepted accounting principles in India (Ind AS).

Opinion

We have audited the accompanying standalone Ind AS financial statements of AJANTA PHARMA PHILIPPINES INC. ("the Company") comprising of the Standalone Balance Sheet as at 31st March 2021, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Cash Flow Statement, the Standalone Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements") prepared in accordance with group accounting policies followed by Ajanta Pharma Ltd. These Standalone financial statements have been prepared solely to enable Ajanta to prepare its consolidated 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit/loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key Audit Matters

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

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("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, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process in accordance with the group accounting policies followed by Ajanta.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
- The Company has not entered into any long-term contracts including derivative contracts, requiring provision under the applicable law or accounting standards, for material foreseeable losses; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

for G.R.Modi & Co

Chartered Accountants

Firm's registration number: 112617W

CA Swapnil Modi

Partner

Membership number: 107574

Mumbai

22nd April 2021

UDIN NO 21107574AAAACG9343

Annexure - A to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of AJANTA PHARMA PHILIPPINES INC. ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ('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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting. Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting 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.

for G.R.Modi & Co

Chartered Accountants

Firm's registration number: 112617W

CA Swapnil Modi

Partner

Membership number: 107574

Mumbai

22nd April 2021

UDIN NO 21107574AAAACG9343

Balance Sheet			
es at 31 March 2021			
C. NUM			
Currency: PHP)		-	
	201350	31 March 2021	31 March 2020
	Note	PHP	PHP
Assets			
Non-current assets			
Property, plant and equipment	7	32,839,242	40,845,241
Other intangible assets	7	452,060	316,204
Right to use assets	7	590,840	1,676,904
Pinancial assets Other financial assets		70 202	110.240
Deferred tax assets Deferred tax assets (net)	8	70,393 1,137,899	1,174,376
Total non-current assets	9	35,090,434	44,132,075
Current assets		324744321	4.764.0450.70
Inventories	10	346,775,891	211,698,151
Financial assets		10/24/20/20/20/20	
Trade receivables	11	376,504,969	446,343,799
Cash and cash equivalents	12	81,596,409	296,600,859
Other current assets Total current assets	13	7,506,279 812,383,548	18,185,706 972,828,516
I otal current assets		812,383,348	972,828,310
Total assets		847,473,981	1,016,960,590

Equity and Liabilities			
Equity		2.0000000	
Equity share capital	14	200,000,000	200,000,000
Other Equity Total Equity	15	388,814,308 588,814,308	421,694,016 621,694,016
Liabilities		300,014,300	021,034,010
Non current liabilities			
Financial liabilities			
Borrowings	16	10,621,290	5,011,939
Lease liability	17	712,157	1,796,993
Total non-current liabilities		11,333,446	6,808,932
Current liabilities		11,333,440	0,808,732
Financial liabilities			
Trade payables	18	194,587,402	294,360,654
Other financial liabilities	19	571,506	14,182,977
Other current liabilities	20	52,167,319	79,914,012
Total current liabilities		247,326,227	388,457,642
		847,473,981	1,016,960,590
Total equity and liabilities		847,473,981	1,010,900,390
Significant accounting policies The notes referred to above form an integral part of the consolidated financial statements			
As per our report of even date attached			
In terms of our report attached		For and on behalf of	Board of Director
For G. R. Modi & Co.			ma Philippines Inc
Chartered Accountants (ICAI FRN : 112617W)	A	ar repaire i and	- Langpanes III
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M. No 30	3011	(2)	In
10/0/4 IS	11=(8	"Xashar	And in contrast of the Party of
Swapnii Modi	2611		Rajesh M. Agrawa
Partner 200	100		Directo
Mumbai, 22 Apr., 2021			mbai, 22 Apr., 202

Statement of Profit and Loss Account			
for the year ended 31 March 2021			
C NUM	_		
(Currency: PHP)		-	
		31 March 2021	31 March 2020
	Note	PHP	PHP
Income	14010		
Revenue from operations	21	1,338,491,065	1,478,263,20
Other income	22	14,659,854	6,884,49
Total income		1,353,150,919	1,485,147,69
Expenses			
Cost of materials consumed			
Purchase of stock-in-trade	23	938,142,437	768,326,88
Changes in inventories of finished goods/work-in-progress/stock-in-trade	24	(135,077,740)	18,079,866
Employee benefits expenses	25	91,409,169	98,031,40
Finance costs	26	2,208,651	2,404,820
Depreciation & amortisation expense	27	9,901,780	10,272,03
Other expenses	28	203,790,255	236,770,45
Total expenses		1,110,374,552	1,133,885,45
Profit before tax		242,776,368	351,262,240
Tax expense		100.000.000	
Current tax		74,315,218	105,349,003
Deffered tax		1,340,857	33,886
Profit for the year		167,120,292	245,879,350
Total comprehensive income / (loss) for the year		167,120,292	245,879,359
Earning Per Equity Share (Basic & Diluted) (Face Value PHF100/-)	30	83.56	122.9
Significant accounting policies			
The notes referred to above form an integral part of the consolidated financial statements			
As per our report of even date attached			
In terms of our report attached			
For G. R. Modi & Co.		For and on behalf of	
Chartered Accountants	_	of Ajanta Phars	na Philippines In
Sena Sena	MILES -		
Swapnil Modi	INES Z	Somor	cal
Swapnil Modi	360//		Rajesh M. Agraw Direct
Partner med nocod	330//	1	mbai, 22 Apr. 202

Ajan	ta I	Pharma Ph	nilippir	nes Inc.		
-						
Staten	nen	of cashflov	V			
for the	vear	ended 31 Mar	ch 2021			
(Current	oue Di	HP)				
Curren	.,		_			
	-	_	_		31 March 2021	31 March 2020
	-	_	_			2020 PHP
		Cook Com From		PHP	FHF	
- 1		Cash flow from o Profit before tax	operating a	ctivities	242 224 240	251 262 240
	_				242,776,368	351,262,240
	-	Adjustment for	A consistent		0.001.780	10 222 020
	-	Depreciation ar	id amortisat	ion expense	9,901,780	10,272,039
		Finance costs		A.C. See See See See See See See See See Se	2,208,651	2,404,820
				working capital changes	254,886,799	363,939,099
		Change in workin		la construible	60.939.931	474 270 004
	-	Decrease / (inc	and the second section is a second section.	No. of Contract of	69,838,831	(74,279,994
	-	- Chical Association of the Contract of the Co		er non curent assets	85,434	(114,681
	-		and the second	er current assets	10,679,428	(11,132,713
_	-	Decrease / (inc	a constant confuciency according	CONTRACTOR	(135,077,740)	18,079,860
	-		71027	er current liabilities	(41,358,163)	14,753,720
	-	Increase / (decr			(99,773,252)	169,892,342
	-	Cash generated		59,281,336	481,137,634	
	-	Net income tax		4 44	(75,656,076)	(105,382,890
	-	Net cash flow ge	nerated fro	m operating activities	(16,374,740)	375,754,743
1	В.	Cash flow from	investing ac	tivities		
		Capital expend		capita (945,573)	(4,958,883	
		Capital expend				(2,762,968
		Net cash used in			(945,573)	(7,721,851
1		and the same				
(C.	Cash flow from	financing a	ctivities		
		Repayment of a			5,609,351	
				(including interest thereon)	(1,084,836)	1,796,993
		Interest paid	0.00		(2,208,651)	(2,404,820
		Dividend paid			(200,000,000)	(125,000,000
		Net cash used in	financing a	ctivities	(197,684,136)	(125,607,827
		Access to the second		THE PERSON NAMED IN COLUMN TWO IS NOT THE PERSON NAMED IN COLUMN TWO IS NAMED IN COLUMN TW		
		Net increase / (d	ecrease) in	cash and cash equivalents	(215,004,450)	242,425,065
1				at the beginning of the year	296,600,859	54,175,794
	3	Cash and cash eq	uivalents as	at the end of the year	81,596,409	296,600,859

Note:

- The above Cash Flow Statement has been prepared under 'Indirect Method' as set out in Accounting Standard 7 (Ind AS 7)
 "Statement of Cash Flow" under Section 133 of the Companies Act 2013.
- Cash comprises cash on hand, current accounts and deposits with banks. Cash equivalents are sholt-term balances (with an original maturity of three months or less from the date of acquisition).

Significant accounting policies

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

As per our report of even date attached.

In terms of our report attached

For G. R. Modi & Co. Chartered Accountants (ICAI FRN: 112617W)

Swapnil Modi

Partner Mumbai, 22 Apr, 2021 UDIN NO: M. No 107674 For and on behalf of Board of Directors of Ajanta Pharma Philippines Inc.

> Rajesh M. Agrawal Director

Mumbai, 22 Apr, 2021

Figures in brackets indicates outflow.

Aines Dhama Dhilinnina	Inc									
Ajanta Pharma Philippines	inc.									
Statement of Changes in Equity										
for the year ended 31 March 2021										
(Currency: PHP)										
A. Equity Share Capital						PHP				
	Balance as at	01 April 2020	Changes in equi		Balance as at 31	March 2021				
Authorised:		200,000,000				200,000,000				
Issued :		200,000,000				200,000,000				
Subscribed & Paid up:		200,000,000		-		200,000,000				
B. Other Equity										
Particulars	Capital Redemption Reserve	Securities Premium Account	General Reserve	Share Based Payment Reserve	Retained Earnings	Foreign Currency Translation Reserve	Other items of other comprehensive income	Total	Non- Controlling Interests	Total Equity
As at 1 April 2019			33,694,923		267,238,605	200,000		300,933,527		300,933,527
Profit for the period			100000000000000000000000000000000000000		245,879,350			245,879,350		245,879,350
Other comprehensive income					200000000000000000000000000000000000000			-		
Total comprehensive income		- 40			245,879,350			245,879,350		245,879,350
Transfer to Retained Earnings		-			(118,861)			(118,861)		(118,861
Dividend Paid		4	+		(125,000,000)			(125,000,000)		(125,000,000
At 31 March 2020		- 20	33,694,923		387,999,094			421,694,016		421,694,916
Profit for the period	13	10	SV ABO 2007		167,120,292			167,120,292		167,120,292
Other comprehensive income		***		*:-			1.4	180		
Total comprehensive income				+	167,120,292			167,120,292		167,120,292
Transfer to Retained Earnings								-		
Dividend Paid		-			(200,000,000)			(200,000,000)		(200,000,000
At 31 March 2021		-	33,694,923		355,119,386			388,814,308		388,814,308

See accompanying notes forming part of the financial statements

In terms of our report attached For G. R. Modi & Co.

Chartered Accountants (ICAI FRN (1)2617W)

Swapait Modi Partner

Mumbai, 22 Apr, 2021 UDIN NO: 2 1107574 AAAA CG 93 43

For and on behalf of Board of Directors of Ajanta Pharma Philippines Inc.

> Rajesh M. Agrawal Director

Mumbai, 22 Apr., 2021

Notes to the Financial Statements as on 31 March 2021

1. Corporate Information

Ajanta Pharma Philippines Inc. is a limited liability company incorporated and domiciled in Philippines and is a wholly owned subsidiary of Ajanta Pharma Ltd., India. The address of its registered office is located at Unit 710, AXA Life Bldg., 1286, Sen. Gil Puyat Ave., Makati City, Philippines.

Company is primarily involved in the business of pharmaceutical and related activities.

The Financial Statement for the year ended 31 March 2021 have been reviewed by the Audit Committee and subsequently approved by Company's Board of Directors at it's meeting held on 22 April, 2021.

2. Basis of Preparation

The financial statement of the Company have been prepared in all material aspects in accordance with the recognition & measurement principles laid down in Indian Accounting Standards (hereinafter referred to as the 'Ind AS') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India.

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

3. Functional and Presentation Currency:

Functional currency of the Company is Philippine Peso (Php).

4. Rounding of Amounts

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

5. Current / Non-Current classification

The assets and liabilities in the balance sheet are presented based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle, or
- · Held primarily for the purpose of trading, or
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
 All other assets are classified as non-current.

A liability is current when it is:

- · Expected to be settled in normal operating cycle, or
- · Held primarily for the purpose of trading, or
- · Due to be settled within twelve months after the reporting period, or





Notes to the Financial Statements as on 31 March 2021

There is no unconditional right to defer the settlement of the liability for at least twelve months
after the reporting period. Terms of a liability that could, at the option of the counterparty, result
in its settlement by the issue of equity instruments do not affect its classification.
All other liabilities are treated as non-current.

Operating Cycle

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

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

6. Significant Accounting Policies

6.1 Property, plant and equipment

Property, plant and equipment are initially measured at cost and are presented in the financial statements at cost less accumulated depreciation and amortization and any accumulated impairment in value. Such cost includes the cost of replacing part of the property, plant and equipment at the time that cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing.

The initial cost of property and equipment comprises its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Cost also includes any related asset retirement obligation (ARO) and interest incurred during the construction period on funds borrowed to finance the construction of the projects. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to deferred development cost in the period the cost are incurred. Major repairs are capitalized as part of property and equipment only when it is probable that future economic benefits associated with the items will flow to the Company and the cost of the items can be measured reliably.

Depreciation is calculated on a straight-line basis to write off the cost of assets, to their residual values over their estimated useful life as follows:

Particulars	Useful Life
Condominium Units	20 years
Furniture, Fixtures & Fittings	2 years
Office Equipments	2 years
Computers	2 years
Motor Vehicles	5 years

The carrying amounts of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation and amortization are recognized in profit or loss.

An item of property and equipment is derecognized when either it has been disposed of or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising on the retirement and disposal of an item of property and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period of retirement or disposal.



Notes to the Financial Statements as on 31 March 2021

6.2 Intangible Assets

Intangible assets are initially measured at cost and are subsequently measured at cost less accumulated amortization and any accumulated impairment loss. These are amortized over estimated useful life using the straight line method. If there is an indication that there has been a significant change in amortization rate, useful life or residual value of an intangible asset, the amortization is revised prospectively to reflect the new expectations.

Intangible assets are derecognized when these assets are disposed of or when no future economic benefits are expected from these assets.

6.3 Financial Instruments

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

Financial Assets

Classification

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

Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent Measurement

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

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

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

Financial Assets measured at Amortised Cost (net of any write down for impairment, if any)

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

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

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



Notes to the Financial Statements as on 31 March 2021

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

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

Investment in Equity Instruments

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

Investment in Debt Instruments

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

Derecognition of Financial Assets

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

Impairment of Financial Assets

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

Financial Liabilities

Classification

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

Initial Recognition and Measurement

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

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

Subsequent Measurement

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.





Notes to the Financial Statements as on 31 March 2021

Derecognition of Financial Liabilities

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

Derivative Financial Instrument

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

6.4 Inventories

Finished products including traded goods and work-in-progress are valued at lower of cost and net realisable value. Cost is arrived on weighted average basis. The cost of Inventories have been computed to include all cost of purchases, cost of conversion, appropriate share of fixed production overheads based on normal capacity and other related cost incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

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

Goods in transit are valued at actual cost incurred up to the date of balance sheet.

6.5 Cash and Cash Equivalents

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

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

6.6 Cash Flow Statements

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



Notes to the Financial Statements as on 31 March 2021

6.7 Foreign Currency Transactions

Revenue Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.

Monetary items denominated in foreign currencies at the year-end are re-measured at the exchange rate prevailing on the balance sheet date. Non-monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on restatement is recognised in the Statement of Profit and Loss.

6.8 Revenue Recognition

Revenue recognition under Ind AS 115 (applicable from 1 April 2018)

Under Ind AS 115, the group recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Sale of Goods

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

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

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

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

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

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

Interest income





Notes to the Financial Statements as on 31 March 2021

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

Dividend income

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

Income from Export Benefits and Other Incentives

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

6.9 Employee Benefits

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

Post-Employment Benefits - The Company does not have a formal retirement benefit plan. However, the Company is subject to the provision of Republic Act No. 7641 (known as the Retirement Law). This requires that in the absence of a retirement plan of agreement providing for retirement benefits of employees in the private sector, an employee upon reaching the age of 60 years or more, but not beyond 65 years, who has served for at least five (5) years in a private company, may retire and shall be entitled to retirement pay. No actuarial computation was made considering that there are no more than ten (10) employees who had served at least five years and the turnover of employees is high.

Compensated Absences - Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the end of the reporting period. Those are included in the salaries and wages account and are recognized when availed of by the employees.

Retirement and Other Long-term Benefits

Retirement and other long-term benefits costs are actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. The calculation of defined benefit obligations is performed annually by a qualified actuary. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in the future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurements of the net retirement and other long-term employee benefits liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI. The Company determines the net interest expense to measure the net retirement benefit liability (asset) on at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or





Notes to the Financial Statements as on 31 March 2021

loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The net retirement and other long-term benefits liability recognized by the Company is the aggregate of the present value of the defined benefit obligation reduced by the fair value of plan assets out of which the obligations are to be settled directly. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using risk-free interest rates of government bonds that have terms to maturity approximating the terms of the related retirement and other long-term benefits liability.

Share-based compensation

Company has no share-based compensation plan.

6.10 Borrowing Costs

Borrowing costs comprise interest expense on borrowings and other bank charges. 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 capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Transaction costs are charged to statement of profit and loss as financial expenses over the term of borrowing.

6.11 Lease

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

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

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset





Notes to the Financial Statements as on 31 March 2021

basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

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

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

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

Transition

Effective 1 April, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the generally accepted interest rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the generally accepted interest rate at the date of initial application. Comparatives as at and for the year ended 31 March, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of PHP 2,762,968 and a lease liability of PHP 2,881,829. The cumulative effect of applying the standard, amounting to PHP 118,861 was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- d. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The interest rate applied to lease liabilities as at 1 April, 2019 is 6%.





Notes to the Financial Statements as on 31 March 2021

6.12 Earnings Per Share

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

6.13 Income Taxes

Income tax expense comprises current and deferred income tax.

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

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

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

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

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

6.14 Dividends to Shareholders

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





Notes to the Financial Statements as on 31 March 2021

6.15 Provisions, Contingent Liabilities, Contingent Assets and Commitments

General

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

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

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

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

Contingent liability is disclosed in the case of:

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

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

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

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

Asset Retirement Obligation

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

6.16 Fair value measurement

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





Notes to the Financial Statements as on 31 March 2021

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

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

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

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

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

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

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

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

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

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

6.17 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2021.

6.18 Critical accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities in future periods.





Notes to the Financial Statements as on 31 March 2021

(a) Arrangement containing lease

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease. At the inception or on reassessment of an arrangement that contains a lease, Company separates payments and other consideration required by the arrangement into those for the lease and those for the other elements on the basis of their relative fair values.

The Company has determined, based on an evaluation of the terms and conditions of the arrangements that such contracts are in the nature of operating leases.

(b) Multiple element contracts with vendors

The Company has entered into multiple element contracts with vendors for supply of goods and rendering of services. The consideration paid is/may be determined independent of the value of supplies received and services availed. Accordingly, the supplies and services are accounted for based on their relative fair values to the overall consideration. The supplies with finite life under the contracts (as defined in the significant accounting policies) have been accounted under Property, Plant and Equipment and/or as Intangible assets, since the Company has economic ownership in these assets. Company believes that the current treatment represents the substance of the arrangement.

(c) Property, Plant and equipment

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

(d) Intangible Assets

Internal technical or user team assess the remaining useful lives of Intangible assets.

Management believes that assigned useful lives are reasonable.

(e) Recognition and measurement of defined benefit obligations

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

(f) Recognition of deferred tax assets and income tax

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

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

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements,





Notes to the Financial Statements as on 31 March 2021

differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective country.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments.

(g) Recognition and measurement of other provisions

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

(h) Contingencies

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

(i) Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management seems them not collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

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

(j) Insurance claims

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

(k) Impairment reviews

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





Projection Pulsated and Solutemental Continued Particulary Particu		1	Ajanta Pharma Philippines me.												
Part	Notes to	# 5	Financial Statements (Continued)												
Content Vests Content Vests Content New Years Content New	Carreny	2	0												
Content District Cont	П	20	sperty, Plant and Equipment										INPR		
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Transfert Data and Equipment 21,796 1,79		L	Profesion	01 April 2020	Additions	Deposels	1	31 March 2021	01 April 2026	For the	Deposits	Adjustments	31 March 202 (31	Menth	31 Mar 2020
Trajector Designated 21,796 1,79			· · · · · · · · · · · · · · · · · · ·							Year					*
1,000 1,00		18	Property, Plant and Equipment												
31,957,767			Launhold Ingroversers	27,73		4		22,78	21,798		4		21,748		
\$\(\frac{2}{2}\)\(\fr			Buldings	130,687,787	٠			11,017,787	19,664,340	1,697,589	+		12,362,130	21,346,657	23,290,546
\$1,000,000 \$1,000,000 \$2,000,000 \$2,000,000 \$1		L	Plant & Machinery			*			+		+				*
\$\langle \text{ADM_ACT_B} \text{4P_ACT_B} 4P_A		L	Furniture & Setture	2,737,436	45,529	**		2,802,965	2,624,944	134,358	+		3,759,302	43,663	112,492
March Marc		L	Office Equipment	5,004,973	498,045			5,500,017	4264,679	283,660			1,048,291	454,736	240,293
180,288 180,		L	Vehiclm	46,451,814				46,451,814	29,272,905	6,433,723	+		35,706,628	10,745,186	17,178,909
### 200 2 2 2 2 2 2 2 2 2		L	Comparison	163,288				163,288	163,288				163,788	60	
2,352,968		L	Tetal	88,787,098	540,073			88,900,669	47,511,854	8,549,572			94,041,418	33,899,342	40,845,241
2,352,948 - 2,362,014 - 2,365,014 1,366,004 - 2,367,112 1,366,004 - 2,367,112 1,366,004 1,366,004 1,367,009 - 2,367,112 1,366,004 1,367,009 1,367,		L	Previous Your	85,918,741	4,439,354			18,117,095	38,459,455	9,012,403	*		47,511,854	40,845,341	45,409,390
2,202,968 . 2,302,968 1,866,864 1,066,804 . 2,820,212 1,966,804 1,820,805 1,920,805 1,820,806 1,		c	Other Intanglish Assets												
2,385,12 40,500 - 2,487,112 1,545,98 206,144 - 40,500 - 40,500 - 5,400,000 1,045,300 - 1,045,300 - 1,045,300 - 1,045,300 - 1,045,000 1,045,300 - 1,045,300 - 1,045,000 - 1,045			Right to use	2,362,968				2,762,968	1,086,064	1,086,064	+		2,172,138	590,540	1,676,904
\$405,000 - \$5,000,000 - \$5,000,000 1,000,000 - \$5,000,000 - \$5,000,000 1,000,000 - \$5,000,000 1,000,000 - \$5,000,000 1,000,000 - \$5,000,000 1,000,000 - \$5,000,000 1,000,000 - \$5,00		L	Consents Software	3,385,112	462,000		-	2,687,112	1,968,998	206,144	+		2,215,042	452,560	316,394
1,803,444 3,164,636 5,046,090 1,035,396 1,219,636		1	Tetal	5,048,989	483,688	*		4,440,080	3,964,972	1,342,364	+		4,407,190	1,842,998	1,943,188
		L	Previous Vanc	1,883,444	3,164,636			5,048,080	1,635,336	1219,636	+		3,054,972	1,943,108	48,708
		L	Total (a) + (b)					200000000000000000000000000000000000000						33,882,142	42,838,349





sjan	ta Pharma Philippines Inc.				
Notes	to the Financial Statements (Continued)				
25 at 31	March 2021				
Current	y: PHP)				
CHILLIA	7.7111)				
			31 March 2021		31 March 2020
_			PHP		PHP
8	Other Non-Current Financial Assets (Unsecured, Considered Good unless otherwise stated)				
	Security Deposits		70,393		110 140
	- State of the sta		70,393		119,349
2.12					10,50
9	Deferred Tax Assets (Net)				
	Others		1,137,899		1,174,376
			1,137,899		1,174,376
10	Inventories				
	Stock-in-trade		346,775,891		211,698,151
			346,775,891		211,698,151
11	Trade Receivables				
- 22.0	(Unsecured, Considered Good unless otherwise stated)		*********		****
	-Considered good		376,504,969 376,504,969		446,343,799
			370,504,969		440,343,799
12	Cash and cash equivalents	-			
	Cash on Hand		13,855		21,097
	Balance with Banks - In current accounts		81,582,554		296,579,762
			81,596,409		296,600,859
				9	
13	Other Current Assets		6,190,171		16 204 (2)
	Advances to Suppliers Advances to Employees		1,316,108		15,204,626 2,981,081
	Novances to Employees		7,506,279		18,185,706
			7,11,11		
14	Equity Share Capital				
		31 March 2021	31 March 2021	31 March 2020	31 March 2020
		Number of Shares	PHP	Number of Shares	PHP
	Authorised :	Source	rar	Shares	rar
	Equity Shares of PHP 100 each	2,000,000	200,000,000	2,000,000	200,000,000
	Issued, Subscribed & Paid up :				
	Equity Shares of PHP 100 each fully paid up	2,000,000	200,000,000	2,000,000	200,000,000
	(a) Reconciliation of number of equity shares outstanding at the beginning and a	of the end of the year :			
	(a) Reconciliation of number of equity shares outstanding at the beginning and a	31 March 2021	31 March 2021	31 March 2020	31 March 2020
		Number of		Number of	
		Shares	PHP	Shares	PHP
	Number of shares outstanding as at the beginning of the year	2,000,000	200,000,000	2,000,000	200,000,000
	Add: Number of shares allotted as bonus during the year			-	
	Less: Number of shares bought back during the year Number of shares outstanding as at the end of the year	2,000,000	200,000,000.00	2,000,000	200,000,000.00
	regineer of source occasioning as at the city of the year	2,000,000	211,011,011		
	(b) Rights, preferences and restrictions attached to shares	I STATE OF THE STA			
	The company has issued only one class of ordinary shares with voting rights having a	per value of PHP100 per share.			
	During the year ended 31 March 2020, amount per share of dividend recognised as di	istributions to equity shareholders	was PHP 62.50 per o	equity share	
	(31 March 2019 PHP 60.60 per equity share)	to and a social and the	company The distr	fliss noith	
	In the event of liquidation of the company, the holders of equity shares will be entitle be in proportion to the numbers of equity shares held by shareholders.	u to receive remaining assets of th	company. The one	Tourney Will	
	be in proportion to the numbers of equity snares near by snarehooders.				
	(c) Details of equity shareholders holding more than 5%		CORU EXPERE		
	Name of Shareholder	31 March 2021	31 March 2021	A CONTRACTOR OF THE PARTY OF TH	31 March 2020
		Number of	At Blaker	Number of Shares	% Holding
	1111	Shares 2,000,000	% Holding 100.00	2,000,000	76 Holding
	Ajanta Phanna Ltd., India	2,000,000	100.00	2,000,000	100.00
	(d) Shares reserved for issue under options	Nil	Nil	Nil	Nil

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Ajan	ta Pharma Philippines Inc.		
Notes	to the Financial Statements (Continued)		
	March 2021		
Correnc	y: PHP)		
C-Init City	,,,,,,,		
		31 March 2021	31 March 2020
15	OTHER EQUITY	PHP	PHP
4.5	General Reserve		
	Balance at the beginning of the year	33,694,923	33,694,923
	Add: Transferred from Statement of Profit & Loss		
		33,694,923	33,694,923
	Exchange Fluctuation Reserve		
	Surplus in the Statement of Profit and Loss	387,999,094	267,238,605
	Balance at the beginning of the year Profit for the year	167,120,292	245,879,350
	Less: Appropriations	101,120,272	243,017,000
	-Dividend Paid on Equity Shares	200,000,000	125,000,000
	-Dividend Distribution Tax On Proposed		
	-Transferred from retained earnings		118,861
	-Transferred to General Reserve		-
	Balance at the year end	355,119,386	387,999,094
	Total Other Equity	388,814,368	421,694,016
16	Non-Current Borrowings		
	Vehicle Loans (Secured)		
	from Banks (PHP)	10,621,290	5,011,939
	- Control of the Cont	10,621,290	5,011,939
17	Lease liability		
-	Lease liability	712,157	1,796,993
		712,157	1,796,993
18	Trade Payables		
	Trade Payables to Related Party	194,587,402	294,360,654
	in the second se	194,587,402	294,360,654
19	Other Current Financial Liabilities		
	Current Maturities of long-term debt	571,506	14,182,977
		571,506	14,182,977
20	Other Current Liabilities		
	Others payables	52,167,319	79,914,012 79,914,012
		52,167,319	79,914,912
21	Revenue from Operations		
	Sale of Products		1 474 347 361
	Stock-in-Trade	1,338,491,065 1,338,491,065	1,478,263,201
		1500/07/400	
22	OTHER INCOME		5200000000
	Exchange Difference (Net)	13,655,658	5,701,856
	Profit on Sale of Fixed Assets	404 442	440.314
	Interest from Others	405,982	660,315
	Miscellaneous Income	598,214 14,659,854	522,321 6,884,492
		14,639,834	6,884,492
	The state of the s	938,142,437	768,326,880





Ajan	ta Pharma Philippines Inc.			
Notes	to the Financial Statements (Continued)	-		
	March 2021			
(Currene	ey: PHP)			
				The second second second
			31 March 2021	31 March 2020
			PHP	PHP
24	Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade			
	Inventories at the end of the year ;			
	Stock-in-trade		346,775,891	211,698,151
		(A)	346,775,891	211,698,151
	Inventories at the beginning of the year :			2740000000
	Stock-in-trade	-	211,698,151	229,778,011
		(B)	211,698,151	229,778,011
	Effect of foreign exchange translation			
	Stock-in-trade	-		
		(C)		
	Total changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade:		(124 022 240)	10 070 070
_	Stock-in-trade	(9) (4) + (0)	(135,077,740)	18,079,860 18,079,860
	Total changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	(B) - (A) + (C)	(135,077,740)	
		_	803,064,697	786,406,740
25	Empolyee Benefit Expenses		200000000000000000000000000000000000000	
	Salaries, Wages, Bonus and Allowances		91,293,500	97,198,307
	Staff Welfare Expenses		115,669	833,095
		_	91,409,169	98,031,401
26	Finance Cost			
	Interest expenses		2,208,651	2,404,820
			2,208,651	2,404,820
27	Depreciation	-		
	Depreciation of Tangible Assets (Refer note 4)		9,901,780	10,272,039
-	Depreciation of Tempore Assets (New town 4)		9,901,780	10,272,039
28	Other Expenses		66 304 032	97,965,153
	Selling Expenses	-	65,304,037 110,814,374	104,775,811
	Clearing and Forwarding	_	8,441,726	16.898.490
	Travelling Expenses	_	513,770	574,365
	Power and Fuel		2,149,192	2,053,924
	Rent		1,328,720	1,310,716
	Telephone, Telex & Postage		63,247	74,441
	Repairs to Building	_	99,617	
	Exchange Difference (Net)		15,175,188	13,117,553
	Miscellaneous Expenses		203,790,255	236,770,453
				-





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

29. Capital Management

Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders. The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position. Company's target is to achieve a return on capital above 30%; in 2020-21 the return was 41% and in 2019-20 the return was 55%.

Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents and short-term investments. Adjusted equity comprises all components of equity.

Company's policy is to keep the ratio below 1.00 and its adjusted net debt to equity ratio at 31 March 2021 was as follows.

PHP

Particulars		31 March 2021	31 March 2020
Debt		11,192,796	19,194,916
Less: Cash and Cash equivalents		81,596,409	296,600,859
Net Debt	A	(70,403,613)	(277,405,943)
Equity	В	588,814,308	621,694,016
Net Debt to Equity ratio	A/B	-0.12	-0.45

30. Earnings Per share (EPS):

The numerator and denominator used to calculate Basic and Diluted Earnings Per Share:

Particulars		31 March 2021	31 March 2020
Basic and Diluted Earnings Per Share:			
Profit attributable to Equity shareholders- for	Α	167,120,292	33.56
Basic EPS (PHP) Add: Dilutive effect on profit (PHP)	В	Nil	Nil
	C=A-B	167,120,292	33.56
Profit attributable to Equity shareholders for computing Diluted EPS (PHP)	C-A-B		
Weighted Average Number of Equity Shares outstanding - for Basic EPS	D	2,000,000	2,000,000
Add: Dilutive effect of option outstanding- Number of Equity Shares	E	Nil	Nil
Weighted Average Number of Equity Shares for Diluted EPS	F=D+E	2,000,000	2,000,000
		100	100
Face Value per Equity Share (PHP)	A /ID	83.56	122.94
Basic Earnings Per Share (PHP)	A/D		
Diluted Earnings Per Shares (PHP)	C/F	83.56	122.94

31. Employee Benefits

As required by Ind AS 19 'Employee Benefits', the Company offers its employees: Short-term employee benefits - These benefits include salaries and wages and other government contributions which are due within twelve months after the end of the period in which the employee renders the related service. The total consideration paid in 2020-21 was PHP 91,409,169 (Previous Year PHP 98,031,401).

Retirement plan - The Company did not yet set up a retirement plan since it does not have more than ten (10) employees who had served at least five years. Retirement expenses are recognized upon actual availment of qualified employees which will be determined by the Company based on the actual number of years of service in compliance with RA No. 7641. No retirement costs were recognized.



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

32. Financial Instrument - fair values and risk management

Fair value measurements				PHP
	31	March 2021	31 M	March 2020
Financial Instruments by category	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Trade Receivables	-	376,504,969		446,343,799
Other Non-Current Financial Assets	-	70,393		119,349
Cash and cash equivalents		81,596,409		296,600,859
Total Financial Assets		458,171,770	-	743,064,008
Financial Liabilities				
Borrowings	-	10,621,290	-	5,011,939
Non-Current Lease Liability	-	712,157		1,796,993
Other Current Financial Liabilities		52,738,826		94,096,988
Trade Payables		194,587,402	-	294,360,654
Total Financial Liabilities	-	258,659,673	-	395,266,574

Fair Value Hierarchy						PHP
Financial assets and liabilities measured at fair value	31	March Leve		3	l Marci Leve	
incasured at fair value	1	II	Ш	1	11	Ш
Financial assets						
Non-recurring fair value measurement						
Trade Receivables			376,504,969	-		446,343,799
Other Non-Current Financial Assets	(*)	0.00	70,393		100	119,349
Cash and cash equivalents			81,596,409	-	- 2	296,600,859
Total Financial Assets			458,171,770		17	743,064,008
Financial Liabilities						
Borrowings			10,621,290	- 2		5,011,939
Non-Current Lease Liability			712,157	-		1,796,993
Other Current Financial Liabilities			52,738,826	-	-	94,096,988
Trade Payables			194,587,402		-	294,360,654
Total Financial Liabilities	-	-	258,659,673	_		395,266,574

Level 1 - The hierarchy in level 1 includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2 – The fair value of financial instruments that are not traded in an active market (like forward contracts) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value as instrument are observable, the instrument is included in level 2.

Level 3 – If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, etc. included in level 3.

A. Financial risk management

Company has exposure to following risks arising from financial instruments:

- · Credit risk
- · Liquidity risk
- · Market risk





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

Risk management framework

Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the Company's risk management policies, under the guidance of Audit Committee.

Company's risk management policies are established to identify and analyse the risks faced by it, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. Company, through its training and procedures aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Company's Audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

i. Credit risk

Company's credit risk is minimal. The trade receivables arise mainly from transactions with its approved customers. The maximum exposure to credit on these transactions is equal to the carrying amount of these financial instruments. Customers are subject to stringent financial, credit and legal verification process. In addition, trade receivable balances are monitored on an ongoing basis to ensure timely collections. Accordingly, the Company's exposure to bad debts is not significant.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

PHP

is as follows:		PHP
Particulars	31 March 2021	31 March 2020
Not past due but impaired	-	
Not past due not impaired	373,387,784	438,750,191
Past due not impaired	3,117,185	7,593,608
- 1-180 days	3,117,185	7,593,608
- 181-365 days		
- more than 365 days		
Past due impaired	-	
- 1-180 days		
- 181-365 days		
- more than 365 days		-

With respect to credit risk arising from other financial assets of the Company, which comprise cash in banks and receivables (except for advances to suppliers), the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Company limits its exposure to credit risks by depositing its cash only with financial institutions duly evaluated and approved by the Board of Directors. The Company's receivables is minimal since no default payments were made by the counterparties. An impairment analysis is performed at each reporting date on an individual basis for major clients.

ii. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. Presently the Company has existing long-term loans that fund capital expenditures. Working capital requirements are adequately addressed by internally generated funds. Trade receivables are kept within manageable levels.

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

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. All transactions are carried out within the guidelines set by the risk management committee.

The sensitivity analysis has been prepared on the basis of derivatives and the proportion of financial instruments in foreign currencies are all constant. The analysis excludes the impact of movements in market variables on the carrying value of postemployment benefit obligations, provisions and on the non-financial assets and liabilities. The sensitivity of the relevant income statement item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 31 March 2021 and 31 March 2020.

a) Currency risk

The Company's foreign exchange risk results primarily from movements of the Philippine peso against the US dollar with respect to US dollar denominated financial assets and liabilities.

The Company's transactional currency exposures arise from its inventories which is 100% purchases from Holding Company in US dollar. In addition, 58% as at 31 March 2021 and 13% as at 31 March 2020 of the Company's debt are denominated in US dollar. The Company periodically reviews the trend of the foreign exchange rates and, as a practical move, increases its US dollar denominated time deposits in times when the Philippine peso is depreciating or decreases its US dollar denominated time deposits in times when the Philippine peso is appreciating.

The following table analyses foreign currency risk as of 31 March 2021 and 31 March 2020:

PHP

Particulars	31 March 2021	31 March 2020
Financial Assets		
Trade Payables	(194,587,402)	(294,360,654)
Borrowings & Other Financial Liabilities	(6,491,822)	(2,495,339)
Net Assets / (Liabilities)	(201,079,223)	(296,855,993)

For the year ended 31 March 2021 and 31 March 2020, every percentage point depreciation / appreciation in the exchange rate between the PHP and respective currencies has affected the Company's incremental profit before tax as per below:

PHP

Year	Change in currency exchange rate	Effect on profit before tax
31 March 2021	+5% / (-5%)	10,053,961 / (10,053,961)
31 March 2020	+5% / (-5%)	14,842,800 / (14,842,800)

33. Note on foreign currency exposures on assets and liabilities:

During the year, the Company has not entered into Forward Exchange Contract. The year-end foreign currency exposures that have not been mitigated by a derivative instrument or otherwise are as below:

	PHP		Foreign Currency		Englan
Particulars	31 March 2021	31 March 2020	31 March 2021	31 March 2020	Foreign Currency
Amount Payable	201,079,223	296,855,993	4,212,143	5,856,145	USD





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

b) Interest rate risk

The Company's exposure to changes in interest rates relates primarily to the Company's longterm debt obligations. Fixed rate financial instruments are subject to fair value interest rate risk. The following table demonstrates the sensitivity analysis to a reasonably possible change in interest rates, with all other variable held constant, of the Company's profit before income tax. The estimates are based on the outstanding interest-bearing liabilities of the Company with floating interest rate as at 31 March 2021 and 31 March 2020.

Description of the property of		4 444	
Year	Change in interest rate	Effect on profit before tax	
31 March 2021	+1% / (-1%)	111,928 / (111,928)	
31 March 2020	+1% / (-1%)	191,949 / (191,949)	

c) Price risk

Company does not have any exposure to price risk, as there is no equity investments.

34. Disclosure for operating leases under Ind AS 116 - "Leases":

The Company have taken a premise under operating lease. The lease is for a period of one year and renewable every year upon mutual consent of the parties. There are no contingent rents. The lease payments of PHP 2,149,192 (Previous Year PHP 2,053,924) are recognised in Statement of Profit and Loss under "Rent" under Note 28.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the generally accepted interest rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the generally accepted interest rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of PHP 2,762,968 and a lease liability of PHP 2,881,829. The cumulative effect of applying the standard, amounting to PHP 118,861 was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- b. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- d. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.



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

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed under Note 28 of the 2019 Annual Report and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The interest rate applied to lease liabilities as at April 1, 2019 is 6%.

The Company leases transportation equipment under a number of finance lease agreements for a term of 5 years. Transportation equipment under finance lease arrangements, shown as part of "Property, Plant and Equipment" account in the statements of financial position. The aggregate future minimum ts under finance leases are as under

payments under infance leases are as under.		
Particulars	31 March 2021	31 March 2020
Not later than one year	Nil	Nil
Later than one year but not later than five years	712,157	1,796,993
Less than five years	Nil	Nil

Contingent Liabilities and commitments: 35.

There are no contingent liabilities and commitments by the Company.

Related party disclosure as required by Ind AS 24 are given below: 36.

A) Relationships:

Category I - Holding Company & Fellow Subsidiary

(Holding Company) Ajanta Pharma Ltd., India

Category II - Directors, Key Management Personnel & their Relatives:

Sam Gioskos Director (APPI)

& Relatives of Key Management Personnel

Sr. No.	wing transactions were carried out with Particulars	Category	s: 31 March 2021	9HP 31 March
1.	Purchase of Goods:			2020
	Ajanta Pharma Ltd., India	1	938,142,437	768,414,950
	Ajana Fiama Du., mua	\$	730,142,437	700,414,55
2.	Key Management Compensation:			
	Short Term Employee Benefits			
	Sam Gioskos	II	5,373,500	4,975,50
3.	Dividend Paid to Ajanta Pharma Ltd.,	1	200,000,000	125,000,00
	India			

C) Amo	unt outstanding as on 31 March 2020			PHP
Sr. No.	Particulars	Category	31 March 2021	31 March 2020
1.	Trade Payable :			
	Ajanta Pharma Ltd., India	1	194,587,402	294,360,654

Remuneration to Auditors: 37.

PHP Particulars 31 March 2021 31 March 2020 Audit Fees 280,000 254,638





Ajanta Pharma Philippines Inc.

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

38. Impact of COVID-19 (Global Pandemic)

The Company continued to take into account the possible impact of COVID-19 in preparation of financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue and on costs. The Company has been able to effectively manage the operations till now with appropriate precautions, without any significant impact of COVID-19 on the business. The Company will continue to closely monitor future economic conditions to ensure business continuity.

39. The Company has one segment of activity namely "Pharmaceuticals".

In terms of our report attached

For G. R. Modi & Co.

Chartered Accountants (ICAI FRN: 112617W)

CRID!

Swapnil Modi Partner

Mumbai, 22 Apr 2021

UDIN NO: 21107574 AAA ACG 9343

107574

For and on behalf of Board of Directors of Ajanta Pharma Philippines Inc.

Rajesh M. Agrawal

Director



G. R. MODI 🔁 CO.

Chartered Accountants

12, Laxminarayan Shopping Center, 1st Floor, Poddar Road, Malad (E), Mumbai - 400097 Tel No. 91-22-28884274 - 28819304 Fax No. 91-22-28819304 email: swapnil@modiconsultancy.com

Independent Auditor's Report
To the Members of Ajanta Pharma Nigeria Ltd.

Report on the Standalone Financial Statements

The accounts of AJANTA PHARMA NIGERIA LTD. are being audited under the local laws of the country by the statutory auditor for the period 1st Jan 2020 to 31st December 2020. The company follows the period 1st April 2020 to 31st March 2021. In order to consolidate the accounts of AJANTA PHARMA NIGERIA LTD. With that of the company, we have been appointed by the management of the company to audit the reinstated accounts of AJANTA PHARMA NIGERIA LTD. for the period 1st April 2020 to 31st March 2021 under the companies Act in accordance with generally accepted accounting principles in India (Ind AS).

Opinion

We have audited the accompanying standalone Ind AS financial statements of AJANTA PHARMA NIGERIA LTD. ("the Company") comprising of the Standalone Balance Sheet as at 31st March 2021, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Cash Flow Statement, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements") prepared in accordance with group accounting policies followed by Ajanta Pharma Ltd. These Standalone financial statements have been prepared solely to enable Ajanta Pharma Ltd. to prepare its 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit/loss, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key Audit Matters

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

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("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, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process in accordance with the group accounting policies followed by Ajanta.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

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



- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
- The Company has not entered into any long-term contracts including derivative contracts, requiring provision under the applicable law or accounting standards, for material foreseeable losses; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

for G.R.Modi & Co

Chartered Accountants

Firm's registration number: 112617W

CA Swapnil Modi

Partner

Membership number: 107574

Mumbai

Date: 22nd April 2021

UDIN No 21107574AAAACE7020

Annexure - A to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of AJANTA PHARMA NIGERIA LTD. ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ('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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting 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.

for G.R.Modi & Co

Chartered Accountants

Firm's registration number: 112617W

CA Swapnil Modi

Partner

Membership number: 107574

Mumbai

Date: 22nd April 2021

UDIN No 21107574AAAAACE7020

Balance Sheet				
is at 31 March 2021				
*				
Currency: NGN)				
			31 March 2021	31 March 2020
		Note	NN NN	NN NN
Assets				
Non-current assets				
Property, plant and equipment		7	5,102,778	38,286,459
Right to use assets		7	1,989,404	4,376,689
Deferred tax assets (net)	- mounte	4	1,067,968	
Z 1980 -	Total non-current assets		8,160,150	42,663,148
Current assets		8		4,147,406
Inventories Financial assets				4,147,400
Investments				
Trade receivables		9		¥.
Cash and cash equivalents		10	9,845,263	3,254,459
Other current assets		11	2,250,000	2,450,000
	Total current assets		12,095,263	9,851,865
Total as	sets		20,255,413	52,515,013
2.5101.00				
Equity and Liabilities				
Equity				
Equity share capital		12	60,000,000	60,000,000
Other Equity	Total control	13	(63,173,955)	(32,433,684 27,566,316
Liabilities	Total equity		(3,173,733)	27,300,310
Non current liabilities				
Lease liability		14	2,506,617	4,888,615
				200000000
Current liabilities				
Financial liabilities		15		9,856,686
Trade payables Other current liabilities		16	20,922,750	10,203,396
Other current habilities	Total current liabilities	10	20,922,750	20,060,082
Total Equity an	d Liabilities		20,255,412	52,515,013
Significant accounting policies				
The notes referred to above form an integral part of the	consolidated financial statements			5.
A				
As per our report of even date attached				
In terms of our report attached				
For G. R. Modi & Co.			For and on behalf of	Board of Director Tharma Nigeria Lto
Chartered Accountants			of Ajanta F	narma reigeria i.ie
(ICAI FRN : 112617W)				1
TO TO SO			49 cm	-
M. No.	pharm	a (nig	eria)	
21 107574			13.5	Vosesh M. Aorean
Swapnil Modi	RC:	10647	785	Yogesh M. Agrawa Directo
Partner	18		15 M	umbai, 22 Apr. 202
Mumbai, 22 Apr, 2021	No.	-		
UDIN NO .: 21107574 AAAA CE762		Name and Park		
Chiano.				
4 (31.5)				

Ajanta Pharma Nigeria Ltd.			
Statement of Profit and Loss Account			
for the year ended 31 March 2021			
Currency: NGN)			
		31 March 2021	31 March 2020
	Note	NN	NN
Income			
Revenue from operations	17	5,487,672	87,719,245
Other income			
Total income		5,487,672	87,719,245
Expenses			
Cost of materials consumed			
Purchase of stock-in-trade	18	(8,204,677)	60,034,208
Changes in inventories of finished goods/work-in-progress/stock-in-trade	19	4,147,406	(4,147,406
Employee benefits expenses	20	422,788	2,514,830
Finance costs	21	618,002	618,002
Depreciation & amortisation expense	22	10,968,535	15,800,827.22
Other expenses	23	22,212,593	59,456,708
Total expenses	_	30,164,647	134,277,170
Profit before tax		(24,676,975)	(46,557,924
Tax expense			
Current tax	-	6,063,296	(13,967,377
Deffered tax	_	************	
Profit for the year	_	(30,740,271)	(32,590,547
Total comprehensive income / (loss) for the year		(30,740,271)	(32,590,547
Earning Per Equity Share (Basic & Diluted) (Face Value NN 1/-) (In Rs.)	25	(0.51)	(0.54
Significant accounting policies			
The notes referred to above form an integral part of the consolidated financial statements			
As per our report of even date attached			
In terms of our report attached			n
For G. R. Modi & Co.		For and on behalf of	
Chartered Accountants		of Ajanta P	arma Nigeria Ltd
(ICAI FRN: 1126(7W)	ma (n)ge	44 cm	1
Swannil Medi	10647	5)]	ogesh M. Agrawa
Swapnil Modi	- LUGHI	\3	Directo
Swapnil Modi Partner Mumbai, 22 Apr., 2021	-	Nu Mu	mbai, 22 Apr, 202

Ajanta	Pharma Nigeria Ltd.		
G: 1			
Stateme	nt of cashflow		
for the yea	ar ended 31 March 2021		
(Currency:	NGN)		
		31 March 2021	31 March 2020
1000		NN NN	NN
A.	Cash flow from operating activities		
	Profit before tax	(24,676,975)	(46,557,924
	Adjustment for		
	Depreciation & amortisation expense	10,968,535	15,800,827
	Interest expense	618,002	618,002
	Unrealised foreign exchange difference		(0
	Operating profit before working capital changes	(13,090,438)	(30,139,095
	Changes in working capital		and the same of
	Decrease / (increase) in trade receivable		184,741,803
	Decrease / (increase) in other current assets	200,000	2,800,000
	Decrease / (increase) in inventories	4,147,406	(4,147,406
	Increase / (decrease) in other current liabilities	10,719,354	(65,158,180
	Increase / (decrease) in trade payables	(9,856,686)	(90,722,766
	Cash generated from operations	(8,948,332)	(2,625,644
	Net income tax paid	(6,063,296)	13,967,377
	Net cash flow generated from operating activities	(15,011,628)	11,341,734
B.	Cash flow from investing activities		
100000	Purchase of fixed assets-including intangible assets & cwip		(52,206,640
	Capital expenditure on right to use asset		(6,763,975
	Proceeds from sale of fixed assets	24,602,431	
	Net cash used in investing activities	24,602,431	(58,970,615
C.	Cash flow from financing activities		
1 11111	Interest paid	(618,002)	(618,002
	Repayment of lease liability (including interest thereon)	(2,381,998)	4,888,615
	Net cash used in financing activities	(3,000,000)	4,270,613
	Net increase / (decrease) in cash and cash equivalents	6,590,803	(43,358,268
	Cash and cash equivalents as at the beginning of the year	3,254,458	46,612,726
	Cash and cash equivalents as at the end of the year	9,845,262	3,254,458

Note:

- The above Cash Flow Statement has been prepared under 'Indirect Method' as set out in Accounting Standard 7 (Ind AS 7)
 "Statement of Cash Flow" under Section 133 of the Companies Act 2013.
- Cash comprises cash on hand, current accounts and deposits with banks. Cash equivalents are sholrt-term balances (with an original maturity of three months or less from the date of acquisition).

Significant accounting policies

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

As per our report of even date attached.

Figures in brackets indicates outflow.

In terms of our report attached

For G. R. Modi & Co. Chartered Accountants

(ICAI FRN: 112617W)

Swapnil Modi Partner

Mumbai, 22 Apr, 2021

UDIN NO.:

For and on behalf of Board of Directors of Ajanta Pharma Nigeria Ltd.

> Yogesh M. Agrawal Director Mumbai, 22 Apr, 2021

Ajanta Pharma Nigeria Ltd				
Statement of Changes in Equity				
for the year ended 31 March 2021				
(Currency: NGN)				
A. Equity Share Capital			NGN	
	Balance as at 01 April 2020	Changes in equity share capital	Balance as at 31 March 2021	
Authorised:	60,000,000		60,000,000	
Issued:	60,000,000		60,000,000	
Subscribed & Paid up:	60,000,000		60,000,000	
B. Other Foulty				

B. Other Equity					C					
Particulars	Capital Redemption Reserve	Securities Premium Account	General Reserve	Share Based Payment Reserve	Retained Earnings	Foreign Currency Translation Reserve	Other items of other comprehensive income	Total	Non- Controlling Interests	Total Equity
As at 1 April 2019			(9,676,976)		10,340,478			663,502		663,502
Profit for the period			2000		(32,590,547)			(32,590,547)		(32,590,547
Other comprehensive income			- 40		0.00 000 000 000			•		
Total comprehensive income					(32,590,547)			(32,590,547)	- 1	(32,590,547
Transfer to Retained Earnings					(506,639)			(506,639)		(506,639
Dividend Paid	- 4			*						
At 31 March 2020		-	(9,676,976)		(22,756,709)			(32,433,684)		(32,433,684)
Profit for the period					(30,740,271)			(30,740,271)	-	(30,740,271)
Other comprehensive income	- ×		*	- 60						
Total comprehensive income		(*)	20		(30,740,271)	¥6	2	(30,740,271)	-	(30,740,271)
Transfer to Retained Earnings				*			-			
Dividend Paid									-	
At 31 March 2021			(9,676,976)		(53,496,980)			(63,173,955)		(63,173,955)

See accompanying notes forming part of the financial statements

In terms of our report attached

For G. R. Modi & Co. Chartered Accountants

Swapnil Modi Partner

Mumbai, 22 Apr., 2021

UDIN NO.: 21107574 MAAR CE 707

For and on behalf of Board of Directors of Ajanta Pharma Nigeria Ltd.

> Yogesh M. Agrawal Director

Notes to the Financial Statements as on 31 March 2021

1. Corporate Information

Ajanta Pharma Nigeria Ltd. is a limited liability company incorporated and domiciled in Nigeria and is a wholly owned subsidiary of Ajanta Pharma Ltd., India. The address of its registered office is located at Block 6, House 6b, Howson Wright Estate, Oregun Road, Ojota, Lagos, Nigeria.

The Company is primarily involved in the business of pharmaceutical and related activities.

The Financial Statement for the year ended 31 March 2021 have been reviewed by the Audit Committee and subsequently approved by Company's Board of Directors at it's meeting held on 22 April, 2021.

2. Basis of preparation

The Financial Statement of the Company have been prepared in all material aspects in accordance with the recognition & measurement principles laid down in Indian Accounting Standards (hereinafter referred to as the 'Ind AS') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India.

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

3. Functional and Presentation Currency:

Functional currency of the Company is Nigerian Niara (NGN).

4. Rounding of Amounts

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

Current / non-current classification:

The assets and liabilities in the balance sheet are presented based on current/non-current classification.

An asset is current when it is:

- · Expected to be realised or intended to be sold or consumed in normal operating cycle, or
- · Held primarily for the purpose of trading, or
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
 All other assets are classified as Non-Current.

A liability is current when it is:

- Expected to be settled in normal operating cycle, or
- · Held primarily for the purpose of trading, or
- · Due to be settled within twelve months after the reporting period, or





Notes to the Financial Statements as on 31 March 2021

There is no unconditional right to defer the settlement of the liability for at least twelve months
after the reporting period. Terms of a liability that could, at the option of the counterparty, result
in its settlement by the issue of equity instruments do not affect its classification.
All other liabilities are treated as Non-Current.

Operating Cycle

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

Based on the nature of products / activities of the company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

6. Significant Accounting Policies

6.1 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Depreciation is calculated on the straight-line method to write off the cost of assets, to their residual values over their estimated useful life as follows:

Particulars	Useful Life
Motor Vehicles	4 years

The asset's residual values and useful lives are reviewed and adjusted if appropriate, at each end of reporting period. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in the statement of profit or loss.

6.2 Financial Instruments

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

Financial Assets

Classification

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

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Notes to the Financial Statements as on 31 March 2021

Subsequent measurement

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

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

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

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

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

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

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

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

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

Investment in Equity Instruments

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

Investment in Debt Instruments

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

Derecognition of Financial Assets

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

Impairment of Financial Assets

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





Notes to the Financial Statements as on 31 March 2021

Financial Liabilities

Classification

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

Initial recognition and measurement

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

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

Subsequent Measurement

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition of Financial Liabilities

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

Derivative Financial Instrument

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

6.3 Inventories

t

Finished products including traded goods are valued at lower of cost and net realisable value. Cost is arrived on weighted average basis. The cost of Inventories have been computed to include all cost of purchases, cost of conversion, appropriate share of fixed production overheads based on normal capacity and other related cost incurred in bringing the inventories to their present location and condition.

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

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



Notes to the Financial Statements as on 31 March 2021

Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet.

6.4 Cash and Cash Equivalents

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

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

6.5 Cash Flow Statement

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

6.6 Foreign Currency Transactions

Revenue Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.

Monetary items denominated in foreign currencies at the year-end are re-measured at the exchange rate prevailing on the balance sheet date. Non-monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on restatement is recognised in the Statement of Profit and Loss.

6.7 Revenue Recognition

Revenue recognition under Ind AS 115 (applicable from 1 April 2018)

Under Ind AS 115, the group recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Sale of Goods





Notes to the Financial Statements as on 31 March 2021

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

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

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

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

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

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

Interest income

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

Dividend income

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

Income from Export Benefits and Other Incentives

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

6.8 Employee Benefits

Short-term Benefits - The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Company to its employees include salaries and wages and other non-monetary benefits.

Post-Employment Benefits - No provision has been made in respect of employee retirement benefits as employees are not eligible for such benefits. Besides the company does not have any pension scheme or any contracted agreement binding itself to the employees.

Share-based compensation

Company has no share based compensation plan.

6.9 Borrowing Costs

Borrowing costs comprise of other bank charges. 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 capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Transaction costs are charged to statement of profit and loss as financial expenses over the term of borrowing.





Notes to the Financial Statements as on 31 March 2021

6.10 Lease

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

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

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

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

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

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

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

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

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

Transition

Effective 1 April, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the





Notes to the Financial Statements as on 31 March 2021

generally accepted interest rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the generally accepted interest rate at the date of initial application. Comparatives as at and for the year ended 31 March, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of NGN 6,763,975 and a lease liability of NGN 7,270,613. The cumulative effect of applying the standard, amounting to NGN 506,639 was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- b. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- d. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The interest rate applied to lease liabilities as at 1 April, 2019 is 9%.

6.11 Earnings Per Share

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

6.12 Income Taxes

Income tax expense comprises current and deferred income tax.

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

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.





Notes to the Financial Statements as on 31 March 2021

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

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

6.13 Dividends to Shareholders

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

6.14 Provisions, Contingent Liabilities, Contingent Assets and Commitments

General

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

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

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

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

Contingent liability is disclosed in the case of:

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





Notes to the Financial Statements as on 31 March 2021

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

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

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

Asset Retirement Obligation

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

6.15 Fair value measurement

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

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

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

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

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

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

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

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

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





Notes to the Financial Statements as on 31 March 2021

 Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

6.16 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2021.

6.17 Critical accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities in future periods.

(a) Arrangement containing lease

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease. At the inception or on reassessment of an arrangement that contains a lease, Company separates payments and other consideration required by the arrangement into those for the lease and those for the other elements on the basis of their relative fair values.

The Company has determined, based on an evaluation of the terms and conditions of the arrangements that such contracts are in the nature of operating leases.

(b) Multiple element contracts with vendors

The Company has entered into multiple element contracts with vendors for supply of goods and rendering of services. The consideration paid is/may be determined independent of the value of supplies received and services availed. Accordingly, the supplies and services are accounted for based on their relative fair values to the overall consideration. The supplies with finite life under the contracts (as defined in the significant accounting policies) have been accounted under Property, Plant and Equipment and/or as Intangible assets, since the Company has economic ownership in these assets. Company believes that the current treatment represents the substance of the arrangement.

(c) Property, Plant and equipment

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





Notes to the Financial Statements as on 31 March 2021

(d) Intangible Assets

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

(e) Recognition and measurement of defined benefit obligations

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

(f) Recognition of deferred tax assets and income tax

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

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

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

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments.

(g) Recognition and measurement of other provisions

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

(h) Contingencies

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





Notes to the Financial Statements as on 31 March 2021

(i) Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management seems them not collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

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

(j) Insurance claims

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

(k) Impairment reviews

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





James	Ajanta Pharma Nigeria Ltd.												
otes to t	Notes to the Financial Statements (Continued)	ned)											
as at 31 March 2021	rch 2021												
(Cumency: NGN)	(ND												
7 Free	7 Property, plant and equipment, capital work-in-progress, investment property and other intangible as	oin -progress, invest	ment property	and other intai	ngible assets							NN	
			Gross Bh	Gross Block (Cost Or Deemed C	beemed Cost)			Accumula	ted Depreciati	Accumulated Depreciation/Americation		Net Block	Block
	B. celludian	61 April 2020	Additions	Disposals	Adjustments	31 March 2921	01 April 2020	For the	Disposals	Adjustments	31 March 2021	31 March 2021 31 Mar 2020	31 Mar 2020
	Parisculary.		4	1.00				Year	,				
3	Tangible Assets	The second second		The state of the s		The Control of the Co	Commence of the last of the la		Section Section		0.000	The second second	2 Carona Contract
	Vehicles	51,700,001	*	41,700,001		10,000,000	13,413,542	8,581,250	17,097,570		4,897,222	5,102,778	38,286,459
	Total Tangible Assets	51,700,001		41,700,601		10,000,000	13,413,542	8,581,250	17,097,570		4,897,222	5,102,778	38,286,459
	Previous Year		51,700,001			51,700,001		13,413,542			13,413,542	38,286,459	
(B)	Intangible Assets												
	Right to use	6,763,975		*		6,763,975	2,387,285	2,387,285	٠		4,774,570	1,989,404	4,376,689
-	Total Intangible Assets	6,763,975				6,763,975	2,387,285	2,387,285			4,774,578	1,989,404	4,376,689
	Previous Year		6,763,975			6,763,975	100000000000000000000000000000000000000	2,387,285			2,387,285	4,376,689	,
	Total Fixed Assets (A) + (B)		Proposition of the second								Service Servic	7,692,182	42,663,148





Assets (Net) Assets Assets Depreciation Losses Assets (Net) y the management) de ables nsidered good unless otherwise stated good h equivalents sh Equivalents th Banks - In Current Accounts at Assets to Suppliers to Employees	(A)	31 March 2021 NN - - 1,067,968 1,067,968 1,067,968		31 March 2020 NN 4,147,404 4,147,404 3,254,459 3,254,459
Assets (Net) Assets Assets Depreciation Losses Assets (Net) y the management) de ables nsidered good unless otherwise stated d good h equivalents sh Equivalents th Banks - In Current Accounts at Assets to Suppliers	(A)	1,967,968 1,967,968 1,967,968		4,147,400 4,147,400
Assets Depreciation Losses Assets (Net) y the management) de ables nsidered good unless otherwise stated if good h equivalents sh Equivalents th Banks - In Current Accounts at Assets to Suppliers	(1)	1,967,968 1,967,968 1,967,968		4,147,400 4,147,400
Assets Depreciation Losses Assets (Net) y the management) de ables nsidered good unless otherwise stated if good h equivalents sh Equivalents th Banks - In Current Accounts at Assets to Suppliers	(A)	1,967,968 1,967,968 1,967,968		4,147,40 4,147,40
Assets Depreciation Losses Assets (Net) y the management) de ables nsidered good unless otherwise stated if good h equivalents sh Equivalents th Banks - In Current Accounts at Assets to Suppliers	(A)	1,967,968 1,967,968 1,967,968		4,147,400 4,147,400
Assets Depreciation Losses Assets (Net) y the management) de ables nsidered good unless otherwise stated if good h equivalents sh Equivalents th Banks - In Current Accounts at Assets to Suppliers	(1)	1,067,968 1,067,968 1,067,968		4,147,400 4,147,400
Assets Depreciation Losses Assets (Net) y the management) de ables nsidered good unless otherwise stated if good h equivalents sh Equivalents th Banks - In Current Accounts at Assets to Suppliers	(A)	1,067,968 1,067,968 1,067,968		4,147,400 4,147,400
Assets I Depreciation I Losses Assets (Net) y the management) ide ables insidered good unless otherwise stated if good h equivalents th Banks - In Current Accounts at Assets to Suppliers	(A)	1,067,968 1,067,968 1,067,968		4,147,400 4,147,400
Depreciation I Losses Assets (Net) y the management) ide ables insidered good unless otherwise stated if good h equivalents th Banks - In Current Accounts at Assets to Suppliers	(A)	1,067,968 1,067,968 1,067,968		4,147,400 4,147,480
Depreciation I Losses Assets (Net) y the management) ide ables insidered good unless otherwise stated if good h equivalents th Banks - In Current Accounts at Assets to Suppliers		1,067,968 1,067,968 1,067,968		4,147,400 4,147,400
Depreciation I Losses Assets (Net) y the management) ide ables insidered good unless otherwise stated if good h equivalents th Banks - In Current Accounts at Assets to Suppliers		1,067,968 1,067,968 1,067,968		4,147,400 4,147,400
Assets (Net) by the management) de ables nsidered good unless otherwise stated di good h equivalents sh Equivalents th Banks - In Current Accounts at Assets to Suppliers		1,067,968 1,067,968 1,067,968		4,147,40 4,147,40 3,254,45
y the management) ables nsidered good unless otherwise stated if good h equivalents sh Equivalents th Banks - In Current Accounts at Assets to Suppliers		1,067,968 1,067,968		4,147,40 4,147,40 3,254,45
y the management) ables nsidered good unless otherwise stated if good h equivalents sh Equivalents th Banks - In Current Accounts at Assets to Suppliers		1,067,968 - - - 9,845,263		4,147,40 4,147,40 3,254,45
y the management) ables nsidered good unless otherwise stated if good h equivalents sh Equivalents th Banks - In Current Accounts at Assets to Suppliers		9,845,263		4,147,40 4,147,40 3,254,45
ables nsidered good unless otherwise stated d good h equivalents sh Equivalents th Banks - In Current Accounts at Assets to Suppliers		9,845,263		3,254,459
ables nsidered good unless otherwise stated d good h equivalents sh Equivalents th Banks - In Current Accounts at Assets to Suppliers		9,845,263		3,254,459
ables nsidered good unless otherwise stated it good h equivalents sh Equivalents th Banks - In Current Accounts at Assets to Suppliers		9,845,263		3,254,459
nsidered good unless otherwise stated d good h equivalents sh Equivalents th Banks - In Current Accounts at Assets to Suppliers		9,845,263		3,254,45
nsidered good unless otherwise stated d good h equivalents sh Equivalents th Banks - In Current Accounts at Assets to Suppliers		9,845,263		3,254,45
nsidered good unless otherwise stated d good h equivalents sh Equivalents th Banks - In Current Accounts at Assets to Suppliers		9,845,263		3,254,45
h equivalents sh Equivalents th Banks - In Current Accounts at Assets to Suppliers		9,845,263		3,254,45
sh Equivalents th Banks - In Current Accounts at Assets to Suppliers		9,845,263		3,254,45
sh Equivalents th Banks - In Current Accounts at Assets to Suppliers				
sh Equivalents th Banks - In Current Accounts at Assets to Suppliers				
at Assets to Suppliers				
ot Assets to Suppliers		9,845,263		3,254,459
to Suppliers				THE RESERVE TO STATE OF THE PARTY OF THE PAR
to Suppliers				
		3 350 000		3 350 000
to Employees		2,250,000		2,250,000
		2,250,000		2,450,000
na Nigeria Ltd.				
Financial Statements (Continued)				
Control				
Capital	31 March 2021	31 March 2021	31 March 2020	31 March 2020
	Number of		Number of	
	Shares	NN	Shares	NN
torse of NN Leach	60,000,000	60,000,000	60,000,000	60,000,00
nares of NA 1 cach	adjourgeon	00,000,000	34,03,045	
ribed & Paid up :	L. Carriera	22.000		
hares of NN 1 each fully paid up	60,000,000	60,000,000	60,000,000	60,000,00
ation of number of equity shares outstanding at the beginning and at the end of the	he year :			
and a segment of related analysis constrained as one or business and an	31 March 2021	31 March 2021	31 March 2020	31 March 2020
	Number of	2.0		NN.
				NN 60,000,00
stares outstanding as at the beginning of the year her of shares allotted as fally naid-on during the year	50,000,000	60,000,000	-	60,000,00
ber of shares bought back during the year				
shares outstanding as at the end of the year	60,000,000	60,000,000	60,000,000	60,000,00
references and restrictions attached to shares	1 mor abase			
has assued only one class of equity shares with voting rights having a par value of the	i per source			
f liquidation of the company, the holders of equity shares will be entitled to receive rer	maining assets of the	company. The distr	ribution	
portion to the numbers of equity shares held by shareholders.				
	stion of number of equity shares outstanding at the beginning and at the end of the shares outstanding as at the beginning of the year ber of shares allotted as fully paid-up during the year shares bought back during the year shares outstanding as at the end of the year shares outstanding as at the end of the year shares outstanding as at the end of the year shares outstanding as at the end of the year shares outstanding as at the end of the year references and restrictions attached to shares has issued only one class of equity shares with voting rights having a par value of NN have not declared any dividend. If liquidation of the company, the holders of equity shares will be entitled to receive re-	stres of NN 1 each ares of NN 1 each folipoid,000 ribed & Paid up: ares of NN 1 each fully paid up 60,000,000 attem of number of equity shares outstanding at the beginning and at the end of the year: 31 March 2021 Number of Shares shares outstanding as at the beginning of the year 60,000,000 ber of shares allotted as fully paid-up during the year eer of shares bought back during the year shares outstanding as at the end of the year 60,000,000 references and restrictions attached to shares has issued only one class of equity shares with voting rights having a par value of NN 1 per share. have not declared any dividend. fliquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the	Shares NN tares of NN 1 each 60,000,000 60,000,000 60,000,000 60,000,00	Shares Agree of NN 1 each 60,000,000 60,000,000 60,000,000 60,000,00



Sec. Por	and the Plantage of the Country of t	_			
	s to the Financial Statements (Continued) 31 March 2021	-			
es are .	11 March 2021	_			
Curre	ncy: NGN)				
0.2.1					
-			31 March 2021 NN		31 March 2020
	(c) Details of equity shareholders holding more than 5%		NN		NN
	Name of Shareholder	31 March 2021	31 March 2021	31 March 2020	31 March 2020
		Number of		Number of	3.5.5.5.5.5.5.5.5.5.5.5.5.5.5.5.5.5.5.5
		Shares	% Holding	Shares	% Holding
	Ajanta Pharma Ltd., India	60,000,000	100.00	60,000,000	100.00
	(d) Shares reserved for issue under options	Nil	Nil	Nil	Nil
	following a series and more miners obseries.	130	1.0		
13	OTHER EQUITY				
	General Reserve				10.0000000000
_	Balance at the beginning of the year		(9,676,976)		(9,676,976)
-	Add : Transferred from Statement of Profit & Loss	-	40 474 074)		00 674 PM
			(9,676,976)		(9,676,976)
	Exchange Fluctuation Reserve				
	Surplus in the Statement of Profit and Loss		The contract		
	Balance at the beginning of the year		(22,756,709)		10,340,478
	Profit for the year	-	(30,740,271)		(32,590,547)
-	Less: Appropriations -Transferred to Retained Earnings				506,639
	Balance at the year end		(53,496,980)		(22,756,709)
	Total Other Equity		(63,173,955)		(32,433,684)
14	LEASE LIABILITY				
	Lease liability		2,506,617		4,888,615
			2,506,617		4,888,615
		-			
15	Trade Payables	_			9,856,686
	Trade Payables to Related Party				9,856,686
16	Other Current Liabilities				
	Others payables		20,922,750		10,203,396
			20,922,750		10,203,396
17	Revenue from Operations	-			
	Sale of Products	1	5,487,672		87,719,245
	Stock-in-Trade		5,487,672		87,719,245
-					
18a	Purchases of Traded Goods (Related Party)		(8,204,677)		5,323,322
18b	Purchases of Traded Goods (Others)				54,710,886
				_	
19	Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	-			
	Inventories at the end of the year :	-			4,147,406
	Stock-in-trade	(A)			4,147,406
	Inventories at the beginning of the year :	1 00			
	Stock-in-trade		4,147,406		
	July III was	(B)	4,147,406		
	Effect of foreign exchange translation			-	-
	Stock-in-trade	100	-		
	Work is a second Study in Trade	(C)	-		
	Total changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade:		4,147,406		(4,147,406
	Stock-in-trade Total changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	(B) - (A) + (C)	4,147,406		(4,147,406
20	Empolyee Benefit Expenses		422.200		2,514,830
	Salaries, Wages, Bonus and Allowances	-	422,788 422,788	-	2,514,830
	WOOL	-	The second secon		2,0.1 0,112
	(1)		pharm	a (niger	
	131 " HO 30		Pha	30.1	27
	1 407674 (m)				151
	101 101		RC:	1064785	121
	13.		113		37/

Aja	anta Pharma Nigeria Ltd.		
Not	es to the Financial Statements (Continued)		
	31 March 2021		
Cun	ency: NGN)		
		31 March 2021	31 March 2020
		NN	NN
21	Finance Cost		-0.000
	On Lease Liability	618,002	618,002
		618,002	618,002
22	Depreciation		
	Depreciation of Tangible Assets (Refer note 7)	8,581,250	13,413,542
	Depreciation of Right to use Assets (Refer note 7)	2,387,285	2,387,285
		10,968,535	15,800,827
23	Other Expenses		
-	Selling Expenses		
	Clearing and Forwarding	*	11,848,997
	Travelling Expenses		4,649,663
	Rent		
	Telephone, Telex & Postage	(379,554)	655,149
	Repairs to Others	(1,045,802)	6,122,736
	Insurance	(520,566)	562,950
	Exchange Difference (Net)	9,087,868	27,647,874
	Loss on sale/discard of property, plant and equipment (net)	13,472,431	
	Miscellaneous Expenses	1,598,215	7,969,339
		22,212,593	59,456,708





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

24. Capital Management

Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders. The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position. Company's target is to achieve a return on capital above 30%; in 2020-21 the return was N/A and in 2019-20 the return was -168%

Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents and short term investments. Adjusted equity comprises all components of equity.

Company's policy is to keep the ratio below 1.00 and its adjusted net debt to equity ratio at 31 March 2021 was as follows.

AULA HUS US IUIS HS.			4.1.504.1
Particulars		31 March 2021	31 March 2020
Debt			
Less: Cash and Cash equivalents		9,845,263	3,254,459
Net Debt	A	(9,845,263)	(3,254,459)
Equity	В	(3,173,955)	27,566,316
Net Debt to Equity ratio	A/B	N/A	(0.12)

25. Earnings Per share (EPS):

The numerator and denominator used to calculate Basic and Diluted Farnings per Share:

Particulars		31 March 2021	31 March 2020
Basic and Diluted Earnings Per Share:			
Profit attributable to Equity shareholders- for Basic EPS (NGN)	A	(30,740,271)	(32,590,547)
Add: Dilutive effect on profit (NGN)	В	Nil	Nil
Profit attributable to Equity shareholders for computing Diluted EPS (NGN)	C=A-B	(30,740,271)	(32,590,547)
Weighted Average Number of Equity Shares outstanding - for Basic EPS	D	60,000,000	60,000,000
Add: Dilutive effect of option outstanding- Number of Equity Shares	E	Nil	Nil
Weighted Average Number of Equity Shares for Diluted EPS	F=D+E	60,000,000	60,000,000
Face Value per Equity Share (NGN)		1	1
Basic Earnings Per Share (NGN)	A/D	(0.51)	(0.54)
Diluted Earnings Per Shares (NGN)	C/F	(0.51)	(0.54)

26. Employee Benefits

As required by Ind AS 19 'Employee Benefits', the Company offers its employees: Short-term employee benefits - These benefits include salaries and wages and other allowances which are paid immediately. The total consideration paid in 2020-21 was NGN 422,788 (Previous Year NGN 618,002).

Retirement plan - No provision has been made in respect of employee retirement benefits as employees are not eligible for such benefits. Besides the company does not have any pension scheme or any contracted agreent pening a self to the employees.

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

27. Financial Instrument – fair values and risk management

Fair value measurements				NGN	
	31 1	March 2021	31 March 2020		
Financial Instruments by category	ents by category FVTPL Amortised Cost		FVTPL	Amortised Cos	
Financial Assets				PRODUCTOR PROGRAMME	
Trade Receivables					
Cash and cash equivalents		9,845,263		3,254,459	
Total Financial Assets		9,845,263		2 224 42	
Financial Liabilities					
Lease Liability	-	2,506,617		4,888,615	
Other Current Liabilities	(000)	20,922,750		10,203,396	
Trade Payables		-	- 1	9,856,686	
Total Financial Liabilities	-	23,429,367		24,948,697	

Fair Value Hierarchy						NG
Financial assets and liabilities measured at fair value	31 March 2021 Level		31 March 2020 Level			
Financial assets	1	11	Ш	1	11	ш
Non recurring fair value measurement						
Trade Receivables					-	
Cash and cash equivalents	-		9,845,263		-	3,254,459
Total Financial Assets	•	53	9,845,263	•	-	3,254,459
Financial Liabilities						
Lease Liability			2,506,617			4,888,615
Other Current Liabilities			20,922,750			10,203,396
Trade Payables			*			9,856,686
Total Financial Liabilities	-	-	23,429,367	-	-	24,948,697

Level 1 – The hierarchy in level 1 includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2 – The fair value of financial instruments that are not traded in an active market (like forward contracts) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value as instrument are observable, the instrument is included in level 2.

Level 3 – If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, etc. included in level 3.

A. Financial risk management

Company has exposure to following risks arising from financial instruments:

- · Credit risk
- · Liquidity risk
- · Market risk

Risk management framework

Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the Company's risk management policies, under the guidance of Audit Committee.

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

Company's risk management policies are established to identify and analyse the risks faced by it, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. Company, through its training and procedures aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Company's Audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

i. Credit risk

Company's credit risk is minimal. The trade receivables arise mainly from transactions with its approved customers. The maximum exposure to credit on these transactions is equal to the carrying amount of these financial instruments. Customers are subject to stringent financial, credit and legal verification process. In addition, trade receivable balances are monitored on an ongoing basis to ensure timely collections. Accordingly, the Company's exposure to bad debts is not significant.

With respect to credit risk arising from other financial assets of the Company, which comprise cash in banks and receivables (except for advances to suppliers), the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Company limits its exposure to credit risks by depositing its cash only with financial institutions duly evaluated and approved by the Board of Directors. The Company's receivables is minimal since no default payments were made by the counterparties. An impairment analysis is performed at each reporting date on an individual basis for major clients.

ii. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. Presently the Company has existing long-term loans that fund capital expenditures. Working capital requirements are adequately addressed by internally generated funds. Trade receivables are kept within manageable levels.

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. All transactions are carried out within the guidelines set by the risk management committee.

The sensitivity analysis have been prepared on the basis of derivatives and the proportion of financial instruments in foreign currencies are all constant. The analysis excludes the impact of movements in market variables on the carrying value of postemployment benefit obligations, provisions and on the non-financial assets and liabilities. The sensitivity of the relevant income statement item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 31 March 2021 and 31 March 2020.





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

a) Currency risk

The Company's foreign exchange risk results primarily from movements of the Nigerian Naira against the US dollar with respect to US dollar denominated financial assets and liabilities. The Company's transactional currency exposures arise from its inventories which is purchases from Holding Company in US dollar. The Company regularly reviews the trend of the foreign exchange rates.

The following table analyses foreign currency risk as of 31 March 2021 and 31 March 2020:

		NGN
Particulars	31 March 2021	31 March 2020
Trade Payables	-	(9,856,686)
Net Assets / (Liabilities)		(9,856,686)

For the year ended 31 March 2021 and 31 March 2020, every percentage point depreciation / appreciation in the exchange rate between the Nigerian Naira and respective currencies has affected the Company's incremental profit before tax as per below:

NGN

Year	Change in currency exchange rate	Effect on profit before tax
31 March 2021	+25% / (-25%)	Nil
31 March 2020	+25% / (-25%)	(2,464,171) / 2,464,171

28. Note on foreign currency exposures on assets and liabilities:

During the year, the Company has not entered into Forward Exchange Contract. The year-end foreign currency exposures that have not been mitigated by a derivative instrument or otherwise are as below:

	NGN		Foreign (Penden	
Particulars	31 March 2021	31 March 2020	31 March 2021	31 March 2020	Foreign Currency
Amount Payable		9,856,686	5 m	25,168	USD

b) Interest rate risk

The Company have no borrowings and hence there is no interest rate risk.

c) Price risk

Company does not have any exposure to price risk, as there is no equity investments.

Disclosure for operating leases under Ind AS 116 - "Leases":

The Company have taken a premise under operating lease. The lease is for a period of 12 to 24 months and are renewable upon mutual consent of the parties. There are no contingent rents. The lease payments of NGN Nil (Previous Year NGN Nil) are recognised in Statement of Profit and Loss under "Rent" under Note 23.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the generally accepted interest rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the generally accepted interest rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

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

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of NGN 6,763,975 and a lease liability of NGN 7,270,613. The cumulative effect of applying the standard, amounting to NGN 506,639 was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- b. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial
 application.
- d. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed under Note 21 of the 2019 Annual Report and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The interest rate applied to lease liabilities as at April 1, 2019 is 9%.

30. Contingent Liabilities and commitments:

There are no contingent liabilities and commitments by the Company.

31. Related party disclosure as required by Ind AS 24 are given below:

A) Relationships:

Category I – Holding Company & Fellow Subsidiary Ajanta Pharma Ltd., India (Holding Company)

B) Following transactions were carried out with related parties:			NGN		
Sr. No.	Particulars			31 March 2020	
1.	Purchase of Goods: Ajanta Pharma Ltd., India	1		67,801421	
2.	Purchase Return: Ajanta Pharma Ltd., India	1	25,168	159,968,224	

C) Amount outstanding as on 31 March 2021			NGN		
Sr. No.	Particulars	Category	31 March 2021	31 March 2020	
 Trade Payable : 	Trade Payable :	a annual		25.160	
	Ajanta Pharma Ltd., India	I		25,168	





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

Impact of COVID-19 (Global Pandemic)

The Company continued to take into account the possible impact of COVID-19 in preparation of financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue and on costs. The Company has been able to effectively manage the operations till now with appropriate precautions, without any significant impact of COVID-19 on the business. The Company will continue to closely monitor future economic conditions to ensure business continuity.

33. The Company has one segment of activity namely "Pharmaceuticals".

In terms of our report attached

For G. R. Modi & Co. Chartered Accountants

(ICAI FRN:-112617W)

Swapnil Modi Partner

Mumbai, 22 Apr 2021

UDIN NO .: 21107574 AAAACE 7020

For and on behalf of Board of Directors of Ajanta Pharma Nigeria Ltd.

Yogesh M. Agrawal Director RC: 1064785