

8th November 2021, Hyderabad, India

Aurobindo Pharma Ltd: Q2 FY22 Consolidated Financial Results (ex-Natrol)

Amount (INR Cr)	Q2FY22	Q2FY21	% Change YoY	Q1FY22	% Change QoQ
Revenue from operations	5,941.9	6,068.9	(2.1%)	5,702.0	4.2%
EBITDA before Forex and Other income	1,186.7	1,294.6	(8.3%)	1,209.4	(1.9%)
EBITDA margin (%)	20.0%	21.3%	--	21.2%	--
PBT before JV, Forex and Exceptional items	976.8	1,083.2	(10.0%)	998.1	(2.0%)
Net Profit	696.7	711.4	(2.1%)	770.0	(9.5%)

Note: Consolidated financials exclude Natrol for ease of comparison

Key highlights of Q2 FY22 (ex-Natrol)

- Revenue from Operations at INR 5,942 Cr decreased by 2.1% over corresponding period last year
 - US formulations revenue grew by 6.9% on a YoY basis to INR 2,967.6 Cr
 - Europe formulation revenue stood at INR 1,662 Cr, an increase of 9.7% over corresponding previous quarter
 - Growth Markets declined by 13.5% YoY and grew by 17.3% QoQ to INR 386.3 Cr
 - ARV revenue declined by 71.2% YoY to INR 145 Cr
 - API revenue for the quarter was at INR 780.6 Cr vs. INR 829 Cr in the corresponding previous period
- EBITDA before Forex and Other income stood at INR 1,186.7 Cr; EBITDA margin for the quarter was 20%
- Research & Development (R&D) spend at INR 399 Cr, 6.7% of revenues (Q1 FY22: 6.3%)
- Received final approval for 7 ANDAs including 2 injectables and 1 505(b)(2) NDA from USFDA
- Net Profit stood at INR 696.7 Cr as against INR 711.4 Cr in the corresponding previous period
- Basic & Diluted EPS is INR 11.89 per share
- The Board declared an interim dividend of INR 1.50 per share

Commenting on the Company's performance, Mr. N. Govindarajan, Managing Director of the company said: "Business performance across most of the segments was robust, aided by gradual pick-up in demand and gradual market share gains. However, profitability was impacted by cost pressure on some of the key raw materials as well as higher logistic costs. We are leveraging the opportunity to streamline our working capital to improve cashflows and will continue to see the benefits of the same over the next few quarters. We are pleased with the steady progress in our complex generic product development and look forward to executing the same to enhance our business growth and profitability."

AUROBINDO PHARMA LIMITED

(CIN : L24239TG1986PLC015190)

www.aurobindo.com

PAN No. AABCA7366H

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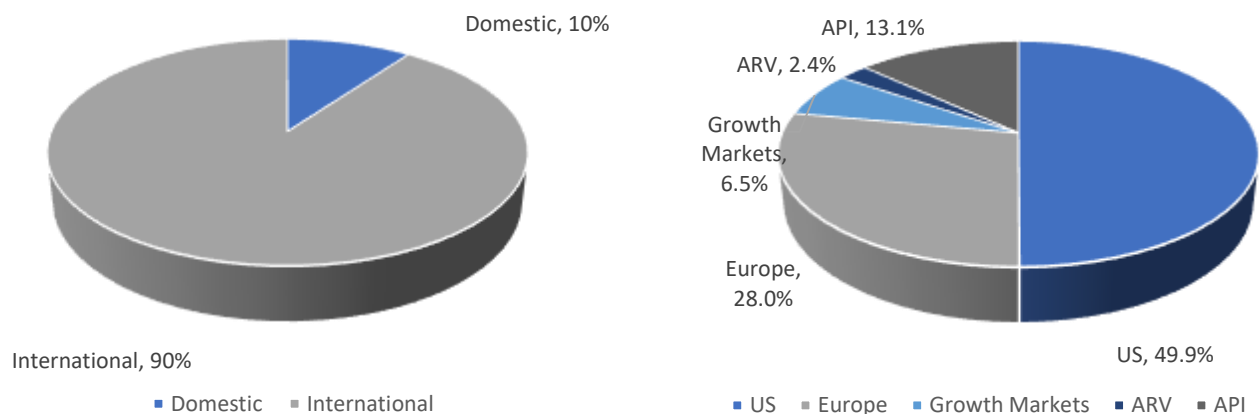
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Operational Performance (Consolidated)

(Amount in INR Cr)	Q2 FY22	Q2 FY21	% Chg (YoY)	Q1 FY22	% Chg (QoQ)
Formulations					
USA	2,967.6	2,775.3	6.9	2,681.2	10.7
Europe	1,662.3	1,514.8	9.7	1,582.9	5.0
Growth Markets	386.3	446.5	-13.5	329.3	17.3
ARV	145.0	502.7	-71.2	296.4	-51.1
Total Formulations	5,161.3	5,239.3	-1.5	4,889.8	5.6
Active Pharmaceutical Ingredients (API)					
Betalactam	420.8	434.4	-3.1	383.6	9.7
Non Betalactam	359.8	394.6	-8.8	428.3	-16.0
Total API	780.6	829.0	-5.8	812.0	-3.9
Consolidated Gross Sales	5,941.9	6,068.3	-2.1	5,701.7	4.2
Dossier Income	0.0	0.6		0.2	
Revenue from operations	5,941.9	6,068.9	-2.1	5,702.0	4.2

Note: Operational Performance exclude Natrol for ease of comparison

Q2 FY22: Consolidated revenue breakup - Geography & Segment wise



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Formulations

Formulation revenue for continuing operations for the quarter decreased by 1.5% YoY to INR 5,161.3 Cr and accounted for 87% of total revenues.

US Formulations

- In Q2 FY22, US revenue increased by 6.9% YoY to INR 2,967.6 Cr and accounted for 50% of consolidated revenues
- Filed 27 ANDAs including 5 injectables with USFDA in Q2 FY22
- Received final approval for 7 ANDAs including 2 injectables and 1 505(b)(2) NDA in Q2 FY22
- As on 30th September 2021, on a cumulative basis, the company filed 681 ANDAs with USFDA and received approval for 456 ANDAs including 29 tentative* approvals
- The company has launched 6 products during the quarter including 3 injectables

**Tentative approvals include 8 ANDAs approved under PEPFAR.*

Europe Formulations

- Europe revenue in Q2 FY22 posted a growth of 9.7% YoY to INR 1,662.3 Cr. Europe Formulations accounted for 28% of consolidated revenues.

ARV Formulations

- ARV business revenue for Q2 FY22 was at INR 145 Cr compared to INR 502.7 Cr in Q2 FY21, a decrease of 71% YoY and accounted for 2.4% of total revenues. The business was affected by higher stocking on advanced procurement last year, amid Covid-19 uncertainties by multilateral agencies.

Growth Markets Formulations

- Revenue from Growth Markets formulations in Q2 FY22 declined by 13.5% YoY and grew by 17.3% QoQ to INR 386.3 Cr and accounted for 7% of revenue. The quarter's performance was led by strong growth in Canada, Brazil and other markets.

Active Pharmaceutical Ingredients (API)

- In Q2 FY22, API business posted a revenue of INR 780.6 Cr and contributed 13% to the consolidated revenues
- The company filed 3 DMFs with USFDA during the quarter.

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Global Regulatory Filings

Filings	Q2 FY22	Cumulative Filings as on 30 th Sept 2021
ANDAs (including filings from Aurobindo USA)	27	681
DMFs (including filings from AuroNext and Auro Peptides)	3	256
Formulations Dossiers in other key advanced markets (incl. multiple registrations in Europe, South Africa and Canada)	62	4,071
API DMF/COS filings in other key regulated markets (incl. multiple registrations)	101	3,417

USFDA Approvals Received in Q2 FY22

Final Approvals - ANDA

#	Product	Therapy
1	Daptomycin Inj. (gCubicin) 500 mg	Anti-infective
2	Decitabine Inj. (gDacogen) 50 mg	Oncology
3	Baclofen Tab (gLioresal) 10 mg & 20 mg	CNS
4	Nifedipine ER Tab (gAdalat) 30 mg, 60 mg & 90 mg	CVS
5	Fenofibrate Cap (gTricor) 67 mg, 134 mg & 200 mg	CVS
6	Nicotine Polacrilex Lozenge OTC (gNicorette) 2 mg & 4 mg	Smoking Cessation Agent
7	Vigabtrin OS (gSabril) 500 mg	CNS

Final Approvals – NDA

#	Product	Therapy
1	Cyclophosphamide Inj. 500 mg/ 2.5 ml & 1 g/ 5 ml	Antineoplastic – Alkylating Agent

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Q2 FY22 Earnings Call Details

The company will host earnings call at **8.30 AM IST on 9th November 2021**, to discuss the performance and answer any questions from participants.

To join the call through Zoom:

Please pre-register by clicking here: <https://bit.ly/3EwgnvN>

About Aurobindo Pharma Limited

Aurobindo Pharma Limited (www.aurobindo.com), (NSE: AUROPHARMA, BSE: 524804, Reuters: ARBN.NS, Bloomberg: ARBP IN) headquartered at Hyderabad, India, develops, manufactures and distributes generic pharmaceuticals, branded specialty pharmaceuticals and active pharmaceutical ingredients. The company's manufacturing facilities are approved by several leading regulatory agencies like US FDA, UK MHRA, EU, Japan PMDA, WHO, Health Canada, South Africa MCC, Brazil ANVISA. The company's robust product portfolio is spread over 7 major therapeutic/product areas encompassing CNS, Anti-Retroviral, CVS, Antibiotics, Gastroenterological, Anti-Diabetics and Anti-Allergic, supported by a strong R&D set-up. The Company is marketing these products globally in over 150 countries.

For further information, please contact:

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(Rs. In lakhs)

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30.09.2021						
Particulars	Quarter ended			Half year ended		Year ended
	30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Revenue from operations						
(a) Net sales/ income from operations	5,88,993	5,69,185	6,37,791	11,58,178	12,21,314	24,55,795
(b) Other operating income	5,199	1,013	10,553	6,212	19,508	21,668
Total revenue from operations	5,94,192	5,70,198	6,48,344	11,64,390	12,40,822	24,77,463
2 Other income						
(a) Foreign exchange gain (net) (refer note 7)	189	2,859	657	3,048	2,879	10,358
(b) Others	9,469	8,131	4,718	17,600	14,055	27,726
Total other income	9,658	10,990	5,375	20,648	16,934	38,084
Total income (1+2)	6,03,850	5,81,188	6,53,719	11,85,038	12,57,756	25,15,547
3 Expenses						
(a) Cost of materials consumed	1,77,484	1,86,005	2,22,517	3,63,489	4,32,334	8,31,727
(b) Purchase of stock-in-trade	44,529	37,324	67,464	81,853	1,27,621	2,31,542
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	28,548	13,294	(38,409)	41,842	(67,643)	(73,021)
(d) Employee benefits expense	85,885	86,993	91,190	1,72,878	1,79,989	3,53,502
(e) Finance costs	1,042	1,288	1,571	2,330	3,678	7,449
(f) Foreign exchange loss (net) (refer note 7)	-	-	-	-	-	-
(g) Depreciation and amortisation expense	29,421	27,969	25,734	57,390	51,286	1,05,538
(h) Other expenses	1,39,074	1,25,644	1,62,301	2,64,718	2,99,505	6,00,372
Total expenses	5,05,983	4,78,517	5,32,368	9,84,500	10,26,770	20,57,109
4 Profit before share of profit of joint ventures, exceptional items and tax (1+2-3)	97,867	1,02,671	1,21,351	2,00,538	2,30,986	4,58,438
5 Share of loss of joint ventures, net of tax	(1,105)	(900)	(2,053)	(2,005)	(3,253)	(5,536)
6 Profit before exceptional items and tax (4+5)	96,762	1,01,771	1,19,298	1,98,533	2,27,733	4,52,902
7 Exceptional items (refer note 4)	-	-	-	-	-	(2,81,458)
8 Profit before tax (6-7)	96,762	1,01,771	1,19,298	1,98,533	2,27,733	7,34,360
9 Tax expense						
Current tax	21,776	24,316	42,365	46,092	78,890	2,32,536
Deferred tax :						
- Tax credit - Minimum Alternate Tax (MAT)	(2,564)	(2,063)	-	(4,627)	-	(354)
- Other deferred tax	7,879	2,521	(3,792)	10,400	(10,198)	(31,205)
Total tax expense	27,091	24,774	38,573	51,865	68,692	2,00,977
10 Profit for the period/year (8-9)	69,671	76,997	80,725	1,46,668	1,59,041	5,33,383
11 Other Comprehensive Income						
A) Items that will not be reclassified subsequently to profit or loss:						
i) Re-measurement of defined employee benefit liability	(1)	(246)	(18)	(247)	(500)	(980)
ii) Income-tax relating to items that will not be reclassified to profit or loss	-	86	10	86	179	370
(iii) Equity investments through other comprehensive income – net change in fair value	(684)	1,291	(38)	607	(38)	(359)
B) Items that will be reclassified subsequently to profit or loss:						
i) Exchange differences on translating the financial statements of foreign operations	(11,528)	22,002	(4,286)	10,474	2,140	1,443
ii) Income-tax on items that will be reclassified subsequently to profit or loss	-	-	-	-	-	-
Total other comprehensive income for the period/year (net of tax)	(12,213)	23,133	(4,332)	10,920	1,781	474
12 Total Comprehensive income for the period/year (net of tax) (10+11)	57,458	1,00,130	76,393	1,57,588	1,60,822	5,33,857
Attributable to:						
Owners of the Parent Company	57,486	1,00,130	76,451	1,57,616	1,60,870	5,33,959
Non-controlling interest	(28)	-	(58)	(28)	(48)	(102)
Out of total comprehensive income above,						
Profit for the year attributable to:						
Owners of the Parent Company	69,699	76,997	80,783	1,46,696	1,59,089	5,33,485
Non-controlling interest	(28)	-	(58)	(28)	(48)	(102)
Other comprehensive income attributable to:						
Owners of the Parent Company	(12,213)	23,133	(4,332)	10,920	1,781	474
Non-controlling interest	-	-	-	-	-	-
13 Paid-up equity share capital (face value Re. 1 per share)	5,859	5,859	5,859	5,859	5,859	5,859
14 Other equity						21,87,127
15 Earnings per equity share (face value Re. 1 per share)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(Annualised)
(a) Basic (in Rs.)	11.89	13.14	13.78	25.03	27.15	91.04
(b) Diluted (in Rs.)	11.89	13.14	13.78	25.03	27.15	91.04

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Consolidated balance sheet

(Rs. In lakhs)

Sl. No.	PARTICULARS	As at 30.09.2021 (Un audited)	As at 31.03.2021 (Audited)
	ASSETS		
1	Non-current assets		
	Property, plant and equipment	7,16,828	6,88,662
	Capital work-in-progress	2,76,917	2,42,889
	Goodwill	42,980	42,890
	Other intangible assets	2,48,149	2,05,806
	Intangible assets under development	80,903	63,264
	Investments accounted for using the equity method	6,645	9,470
	Financial assets		
	Investments	34,932	33,651
	Loans	621	726
	Trade receivables	-	-
	Other financial assets	13,665	14,331
	Deferred tax assets (net)	42,225	45,268
	Non-current tax assets (net)	13,647	12,826
	Other non-current assets	58,462	43,265
	Total non-current assets	15,35,974	14,03,048
2	Current assets		
	Inventories	8,46,800	9,02,657
	Financial assets		
	Investments	2	15,980
	Trade receivables	3,93,144	3,38,740
	Cash and cash equivalents	4,47,456	5,37,347
	Bank balances other than cash and cash equivalents	2,262	10,080
	Loans	1,404	1,432
	Other financial assets	4,103	3,386
	Current tax assets (net)	18,070	7,898
	Other current assets	1,43,921	1,44,881
	Assets held for sale	8,489	8,361
	Total current assets	18,65,651	19,70,762
	TOTAL ASSETS	34,01,625	33,73,810
	EQUITY AND LIABILITIES		
1	Equity		
	Equity share capital	5,859	5,859
	Other equity	23,35,952	21,87,127
	Equity attributable to owners of the Parent Company	23,41,811	21,92,986
	Non-controlling interest	(117)	(89)
	Total equity	23,41,694	21,92,897
	Liabilities		
2	Non-current liabilities		
	Financial liabilities		
	Borrowings	24,641	16,840
	Lease liabilities	27,347	26,619
	Others	6,653	6,565
	Provisions	18,495	15,712
	Deferred tax liabilities (net)	59,305	57,456
	Other non-current liabilities	2,853	2,794
	Total non-current liabilities	1,39,294	1,25,986
3	Current liabilities		
	Financial liabilities		
	Borrowings	4,14,325	4,80,271
	Trade payables		
	total outstanding dues of micro enterprises and small enterprises and	2,756	1,769
	total outstanding dues of creditors other than micro enterprises and small enterprises	2,28,830	2,77,909
	Lease liabilities	10,307	10,062
	Other financial liabilities	1,64,274	1,93,659
	Other current liabilities	69,017	53,253
	Provisions	17,656	16,968
	Current tax liabilities (net)	13,472	21,036
	Total current liabilities	9,20,637	10,54,927
	TOTAL EQUITY AND LIABILITIES	34,01,625	33,73,810

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Consolidated statement of cash flows

(Rs. In lakhs)

Sl. No.	PARTICULARS	For the Half year ended 30.09.2021 (Un audited)	For the Half year ended 30.09.2020 (Un audited)
1	CASH FLOW FROM OPERATING ACTIVITIES		
	Net profit before tax	1,98,533	2,27,733
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortisation expense	57,390	51,286
	Allowance for doubtful receivables/(written back) (net)	318	(1,084)
	Liabilities no longer required written back (net)	(408)	(188)
	Bad debts/advances written off	37	2,733
	Product destruction expenses / stock written off	200	1,186
	Mark-to-market gain on derivative financial instruments	(3,135)	(689)
	Unrealised foreign exchange gain (net)	(3,672)	(4,561)
	Loss on sale / write-off of property, plant and equipment and intangibles under development (net)	1,918	10,329
	Reversal of impairment loss on intangible assets under development	(5,253)	-
	Share of loss/(profit) of joint ventures	2,005	3,253
	Loss on liquidation of Joint venture	209	-
	Profit on sale of current investments	(176)	-
	Finance costs	1,726	3,088
	Interest income	(1,332)	(931)
	Effect of exchange rate changes	4,141	2,513
	Operating profit before working capital changes	2,52,501	2,94,668
	Movements in working capital:		
	Decrease/(increase) in inventories	60,546	(1,13,597)
	(Increase)/decrease in trade receivables	(46,957)	50,449
	Decrease in other financial assets	2,525	2,308
	Decrease/(increase) in other current/non-current assets	4,301	(10,531)
	Decrease/(increase) in loans	133	(13)
	(Decrease)/increase in trade payables	(56,356)	33,409
	Increase/(Decrease) in provision for retirement benefits	3,832	(7,183)
	Increase in other current/non-current liabilities	15,389	10,628
	(Decrease)/increase in other financial liabilities	(1,661)	359
	Cash generated from operating activities	2,34,253	2,60,497
	Direct taxes paid (net of refunds)	(65,442)	(46,484)
	Net cash generated from operating activities (A)	1,68,811	2,14,013
2	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of property, plant and equipment, including movement in capital work- in- progress, capital advances and capital creditors (net)	(1,15,986)	(54,844)
	Purchase of intangible assets and intangible assets under development	(37,043)	(10,655)
	Proceeds from sale of property, plant and equipment and intangible assets	1,906	2,286
	Amount paid towards business acquisitions	(59,250)	-
	Proceeds from liquidation of joint venture	2,553	-
	Proceeds from liquidation of subsidiary	435	-
	Purchase of non-current investments made in joint ventures	(3,253)	(8,731)
	Proceeds from sale/(Purchase) of current investments (net)	16,153	(8,058)
	Bank balances not considered as cash and cash equivalents (net)	8,211	(3,134)
	Interest received	1,528	922
	Net cash used in investing activities (B)	(1,84,746)	(82,214)
3	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from non-current borrowings	7,826	2,574
	Repayment of non-current borrowings	-	(13,967)
	Repayment of current borrowings (net)	(61,583)	(41,715)
	Finance costs paid	(877)	(2,227)
	Repayment of lease liabilities (net)	(6,312)	(6,810)
	Dividends paid on equity shares	(8,800)	(7,321)
	Net cash used in from financing activities (C)	(69,746)	(69,466)
	Net (decrease)/increase in cash and cash equivalents (A + B + C)	(85,681)	62,333
	Cash and cash equivalents at the beginning of the year	5,32,991	2,74,682
	Effect of exchange differences on cash and cash equivalents	154	(540)
	Cash and cash equivalents at the end of the year *	4,47,464	3,36,475
	Cash and cash equivalents comprise of:		
	Cash on hand	23	33
	Balance with banks		
	- on current account	4,34,901	3,01,598
	- on cash credit account (net)	12,474	25,027
	- on deposit account	66	9,817
	Cash and Cash equivalents considered for cash flows *	4,47,464	3,36,475

* The cash and cash equivalents disclosed above include Rs 31,158 of cash set aside towards cash - secured put options held by the Group.

The above statement of cash flows has been prepared under the "Indirect method" as set out in Ind AS 7, "Statement of cash flows".

AUROBINDO PHARMA LIMITED

(CIN : L24239TG1986PLC015190)

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PAN No. AABCA7366H

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NOTES:

- 1 The financial results of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder.
- 2 The above consolidated financial results have been prepared in accordance with principles and procedures as set out in the Ind AS 110 on "Consolidated financial statements" and Ind AS 28 on "Investments in Associates and Joint ventures" notified under Section 133 of Companies Act, 2013 and Companies (Indian Accounting Standards) Rules, 2015, as amended.
- 3 The above consolidated financial results as reviewed by the audit committee have been approved by the Board of Directors at its meeting held on 8 November 2021. The statutory auditors have carried out limited review of the above results for quarter and Half year ended 30 September 2021. An unmodified report has been issued by them thereon.
- 4 Profit before tax includes exceptional items of Rs.281,458 lakhs for the year ended 31 March 2021 consists of:
 - a. Rs. 309,665 lakhs gain on disposal of business assets of a wholly-owned step-down subsidiary, Natrol LLC, United States of America. Pursuant to the Board's approval on 25 October 2020, the Group had entered into a definitive agreement to dispose of business assets of Natrol LLC, as a going concern with related assets, liabilities, products, brands and employees for a cash price of USD 550 million.
 - b. Rs. 15,285 lakhs gain on account of remeasurement of equity interest in Eugia Pharma Specialties Limited, a joint venture company as at 6 November 2020. The Board in its meeting held on 16 October 2020 had decided to enter into a share purchase agreement to acquire 100% equity share capital of MViyes Pharma Ventures Private Limited. MViyes is holding 29.13% shareholding in Eugia Pharma Specialties Limited, a joint venture company in which the Parent Company, through its wholly-owned subsidiary company, is holding 70.87%. By this acquisition, both Eugia Pharma Specialties Limited and MViyes Pharma Ventures Private Limited had become wholly owned subsidiaries.
 - c. Rs. 43,492 lakhs impairment charges taken considering the difficult economic conditions and the continued impact of Covid 19 in certain markets towards product related intangibles and goodwill.

Tax expenses on the above exceptional item is Rs. 70,489 lakhs. Profit after tax excluding exceptional item (net of tax) for the year ended 31 March 2021 is Rs. 322,414 lakhs.
- 5 The Group operates in only one segment viz., 'Pharmaceutical Products'.
- 6 During the period, the following companies have been incorporated/liquidated:

Eugia Pharma B.V. w.e.f. 8 September 2021, The Netherlands as a subsidiary to Eugia Pharma Specialties Limited, India.

CuraTeQ Biologics s.r.o. w.e.f. 27 July 2021, Czech Republic as a subsidiary to Helix Healthcare B.V.

Aurosallud SA De CV w.e.f. 16 July 2021, Mexico as a subsidiary to Helix Healthcare B.V. & Agile Pharma B.V.

Auro PR Inc w.e.f. 22 September 2021, Puerto Rico as a subsidiary to Aurobindo Pharma Limited and Helix Healthcare B.V.

Auro Steriles LLC w.e.f. 1 April 2021, USA as a subsidiary to Aurobindo Pharma USA Inc.

Eugia Injectable Inc w.e.f. 1 April 2021, USA as a subsidiary to Eugia Pharma Specialties Limited, India.

Vespyr Brands, Inc (formerly Nurya Brands Inc) w.e.f. 28 April 2021, USA as a subsidiary to Auro Health LLC

Eugia US Manufacturing LLC w.e.f. 31 August 2021, USA as a subsidiary to Aurobindo Pharma USA Inc.

Longxiang Pharma Taizhou Co. Ltd, China (Liquidated w.e.f. 31 August 2021)
- 7 Foreign exchange gain includes exchange difference arising from foreign currency borrowings to the extent that they are regarded as an adjustment to finance cost as per para 6(e) of Ind AS 23 on borrowing costs.
- 8 The Government of India, on 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Ordinance inserted a new Section 115BAA in the Income tax Act, 1961, which provides an option to the Company for paying income tax at reduced rates as per the provisions/conditions defined in the said section. The Parent Company has evaluated the above Ordinance and based on its evaluation currently the management proposed to continue with the old tax rates.
- 9 The Group continues to monitor the possible effects that may result from the pandemic relating to COVID-19. The Group continues to take several business continuity measures with a view to ensure minimal disruption with respect to operations including production and distribution activities. While the Group has experienced certain challenges in certain markets, where the impact of the pandemic is prolonged and business environment is impacted due to the uncertainty, the Group has not experienced any significant difficulties with respect to market demand, financing capital expansion projects, collections or liquidity in other markets. Based on internal and external sources of information, current economic environment and future economic indicators, Group has assessed the financial impact of the COVID-19 situation on its operations particularly on the carrying amounts of receivables, inventories, property, plant and equipment, goodwill and other intangible assets. Wherever considered necessary an assessment of the impact has been carried out and the impact if material on account of impairment have been recorded. However, the impact of the pandemic could be different from those estimated today considering the uncertainties involved. The Group will continue to monitor any material changes to future economic conditions.
- 10 The date of implementation of the Code of Wages 2019 and Code on Social Security, 2020 is yet to be notified by the Government. The Group is in the process of assessing the impact of these Codes and will give effect in the financial results when the Rules/Schemes thereunder are notified.
- 11 The Board has approved interim dividend @150% i.e.Re.1.50 (Rupee one and fifty paise only) per equity share of Re.1 (Rupee One only) for the year 2021-22.

By Order of the Board

N. Govindarajan
Managing Director
DIN-00050482

Place: Hyderabad
Date : 8 November 2021

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