

Life
Changing
Discoveries

Corporate Information

Founder

Late Mr. Ramanbhai B. Patel

Board of Directors

Pankaj R. Patel
Chairman

Dr. Sharvil P. Patel
Managing Director

Ganesh N. Nayak
Executive Director

Nitin R. Desai
Independent Director

Dharmishtaben N. Raval
Independent Woman Director

Apurva S. Diwanji
Independent Director

Bhadresh K. Shah
Independent Director

Mukesh M. Patel
Non-Executive Director

Key Managerial Personnel (other than Directors)

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Key Contacts

Arvind Bothra
Head - Investor Relations
arvind.bothra@zyduslife.com

Dhaval N. Soni
dhavalsoni@zyduslife.com

COMMITTEES OF THE BOARD & THEIR CONSTITUTION

AUDIT COMMITTEE

Nitin R. Desai, Chairperson
Dharmishtaben N. Raval
Apurva S. Diwanji
Bhadresh K. Shah
Mukesh M. Patel

NOMINATION & REMUNERATION COMMITTEE

Nitin R. Desai, Chairperson
Pankaj R. Patel
Dharmishtaben N. Raval
Apurva S. Diwanji
Bhadresh K. Shah
Mukesh M. Patel

CORPORATE SOCIAL RESPONSIBILITY & ESG COMMITTEE*

Pankaj R. Patel, Chairperson
Dr. Sharvil P. Patel
Dharmishtaben N. Raval

RISK MANAGEMENT COMMITTEE

Pankaj R. Patel, Chairperson
Dr. Sharvil P. Patel
Apurva S. Diwanji
Mukesh M. Patel
Nitin D. Parekh

STAKEHOLDERS' / INVESTORS' RELATIONSHIP COMMITTEE

Mukesh M. Patel, Chairperson
Pankaj R. Patel
Sharvil P. Patel
Bhadresh K. Shah

SHARE TRANSFER COMMITTEE

Pankaj R. Patel, Chairperson
Dr. Sharvil P. Patel
Mukesh M. Patel

FINANCE & ADMINISTRATION COMMITTEE

Pankaj R. Patel, Chairperson
Sharvil P. Patel
Ganesh N. Nayak

STATUTORY AUDITORS

Deloitte Haskins & Sells LLP
Chartered Accountants
Ahmedabad

REGISTERED & CORPORATE OFFICE

Zydus Corporate Park, Scheme No. 63, Survey No. 536, Near Vaishnodevi Circle, Khoraj (Gandhinagar), S.G. Highway, Ahmedabad - 382481

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited
506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre, Off. C G Road, Ellisbridge, Ahmedabad - 380006

R&D CENTRES

Zydus Research Centre (ZRC)
Survey No. 396/403, Sarkhej-Bavla N.H. No. 8A, Moraiya, Ahmedabad - 382213

Pharmaceutical Technology Centre (PTC)

Plot No. 417,419,420, Sarkhej-Bavla National Highway No. 8A, Village-Moraiya, Taluka-Sanand, Moraiya, District-Ahmedabad-382210.

MANUFACTURING FACILITIES

Human Formulations

Plot No. 417,419,420, Sarkhej-Bavla National Highway No. 8A, Village-Moraiya, Taluka-Sanand, Moraiya, District-Ahmedabad-382210. (Formulations & Vaccines)

Swaraj Marja, Juddi Kalan, Post-Baddi, Tehsil-Nalagarh, Solan District, Himachal Pradesh-173205.

Plot No. 203-213, Kundaim Industrial Estate, Kundaim Village, Ponda, Goa-403115.

Plot No. 1A/1 & 2, Pharma SEZ (Zydus), Sarkhej-Bavla Highway, NH 8, Village-Matoda, Taluka-Sanand, Ahmedabad-382213.

Plot - 1/B, Pharmez Special Economic Zone, SB Highway (NH#8A), Village-Matoda, Taluka-Sanand, Ahmedabad-382213.

Plot No. 1A, PHARMEZ Special Economic Zone, Sarkhej-Bavla N.H. No. 8A, Matoda, Taluka-Sanand, Ahmedabad-382213.

Survey No. 434/6/B & 431/1/K, Village-Jarod, Taluka-Waghodia, District-Vadodara-391510.

Plot No. 254-255, Behind Zyfine Unit, Opp. Laxminarayan Petrol Pump, Sarkhej-Bavla National Highway-8A, Village-Changodar, Taluka-Sanand, District-Ahmedabad-382210.

Animal Formulations

Plot No. 1A/1 & 2, Pharma SEZ (Zydus), Sarkhej-Bavla Highway, NH 8, Village-Matoda, Taluka-Sanand, Ahmedabad-382213.

Active Pharmaceutical Ingredients (API)

291, GIDC Industrial Estate, Ankleshwar-393002.

Plot No. 5/1-B, GIDC Estate, Ankleshwar-393002.

Plot No. 26-29, 31, Dabhasa-Umraya Road, Dabhasa, Taluka-Padra, District-Vadodara-391440.

Plot No. 162, Ekalbara Road, Village-Dabhasa, Taluka-Padra, District-Vadodara-391440.

Plot No. 254-255, Behind Zyfine Unit, Opp. Laxminarayan Petrol Pump, Sarkhej-Bavla National Highway-8A, Village-Changodar, Taluka-Sanand, District-Ahmedabad-382210.

Biological Products & Vaccines

Plot No. 23, 25/P, 37, 40/P, 42, Sarkhej-Bavla NH No. 8A, Opp. Ramdev Masala, Village-Changodar, Taluka-Sanand, District-Ahmedabad-382213.

Forward looking statement: In this Annual Report, we may have disclosed forward looking information to enable stakeholders to comprehend our prospects and take informed decisions. This report and other statements - written and oral - that we periodically make, contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion on future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

* Board of Directors at its meeting held on May 20, 2022 changed the nomenclature of Corporate Social Responsibility Committee to Corporate Social Responsibility & ESG Committee.



For my part, I had a dream to contribute to the process of nation building and of becoming a successful entrepreneur. Over the years, I put my heart and soul into realising this dream and was also fortunate to have people join me and share this vision. I am happy to have been able to give a concrete shape to my dreams and build the edifice of an enterprise, which I am sure will continue to transform itself in response to the changing times.



Late Mr. Ramanbhai B. Patel
Founder Chairman
August 19, 1925 - September 19, 2001

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Reimagining the Zydus of tomorrow.

After a journey of growth spanning 27 years as Cadila Healthcare Ltd. and the Zydus Group, we have evolved and transformed ourselves in response to the changing times. Our legacy of over 70 years in healthcare and being dedicated to life in all its dimensions is reaffirmed in our new mission, vision and purpose. Unifying ourselves under the Zydus name, Cadila Healthcare Ltd., is now Zydus Lifesciences Ltd.



Our Mission

To unlock new possibilities in life-sciences through quality healthcare solutions that impact lives.

Our Vision

To be a global lifesciences company transforming lives through pathbreaking discoveries.

Our Purpose

Empower people with the freedom to live healthier and more fulfilled lives.

Our new logo



Dedicated To Life

The new logo is a stylized visualization of two hearts with 'us' at the core.

Our brand colours are vibrant and rich in meaning. Emphasizing that everything we do is about 'Us'. An inclusive community of employees, patients, caregivers, partners, customers, investors and stakeholders. The new ideology combines empathy and dynamism. This is brought to life through a new visual identity that delivers our future ready brand transformation. Positioning Zydus as a more path-breaking, inclusive, patient-centric, dynamic, global organization.



Dynamic Teal

Teal expresses our dynamism and stands for our commitment to science. It is reflective of our aspiration to soar and achieve new ground, through pathbreaking discoveries and a commitment to innovation.



Purposeful Purple

Purple symbolizes our purposefulness and stands for our dedication to care and nurturance. It is reflective of our patient-centric approach, our desire to serve unmet healthcare needs with empathy.

Who we are...

We are a Lifesciences company backed by pathbreaking scientific research and technological innovations, done with the patients in mind.

Our guiding belief is that everyone should have the freedom to live healthier and more fulfilled lives. So, we aim to empower them through life-transforming healthcare solutions.

We offer life-saving & life-changing solutions, that address unmet needs to improve people's quality of life, by helping them discover wellness & good health (prevent, detect or manage diseases) through healthcare optimised for access and delivery.

We want to revolutionise healthcare to meet future needs. We want to unlock new possibilities in life sciences through novel pathbreaking drug discoveries.

We are ZYDUS.



Chairman's Message

Dear Shareholders,

I am happy to share an important milestone with you, which makes FY22 an epochal year for the organisation. Zydus, which has been conventionally a pharmaceutical company has now evolved into an innovation-driven life sciences organization.

This represents a giant leap for our company in terms of its aspirations, positioning and desired impact.

This evolution has been reflected in a change in our logo and visual identity - a differentiation from the past, a contemporariness in the present and a relevance for the future.

This deepens our commitment to innovation, patient-centricity, knowledge, responsiveness and inclusiveness.

This transformational journey was as necessary as it was timely. Disease patterns are changing. As per an estimate, around 40,000 diseases remain therapeutically unaddressed. Research costs are rising. Regulatory approvals are becoming more stringent. Generics margins are declining. There is a premium on the need to reinvent, restructure and reimagine.

At the reimagined Zydus, we possess differentiated capabilities to succeed. We have demonstrated capabilities in

the identification of the right vacant spaces with potential; we possess the capability to develop a molecule right from proof-of-concept to the market with speed and agility.

The time has come to catch the right wave and move into an ocean of possibilities. The products we are working on are directed towards large addressable markets with potential annual revenues of \$100 mn to \$500 mn. We possess a competence in small molecules and biologics, marked by a capacity for measured risk taking, perseverance and prudent investing.

What the new normal warrants is more of the different. We will continue to add specialized talent that is mentored at every step. We will continue to make larger investments in facilities benchmarked around the demanding standards of global regulatory agencies. We will embrace a larger scale of challenges and take a wider range of product bets. We will continue to focus on rigorous execution capabilities that bring products to markets just when they are needed.

We intend to do all this without diluting the essence of Zydus. We will continue to care for all our stakeholders. We will deepen our commitment to care for the marginalized through programmes directed at the creation of health care educational infrastructure that are sustainable on their own without seeking financial recourse to our

parent company.

The complement of these initiatives is likely to create a research-based life sciences company that generates more than 50% of its revenues from new products. I am optimistic that this transformation will enhance margins, cash flows, respect and shareholder value.

Remaining restlessly entrepreneurial in the face of a new emerging world, I will continue to navigate Zydus strategically, catalyse our innovation journey, mentor young scientists and focus on the creation of an innovation hub within that one day becomes the pride of the world.

Pankaj R. Patel
Chairman
July, 2022



At the reimagined Zydus, we possess differentiated capabilities to succeed. We have demonstrated capabilities in the identification of the right vacant spaces with potential; we possess the capability to develop a molecule right from proof-of-concept to the market with speed and agility.

Highlights of Operations

Consolidated Financial Highlights

- Total income from operations grew 6% y-o-y to ₹152.7 bn, from ₹144 bn last year.
- Earnings Before Interest, Taxation, Depreciation and Amortization (EBITDA) de-grew marginally by 1% y-o-y to ₹33.4 bn, from ₹33.9 bn last year. The EBITDA margin as % to total income from operations for the year stood at 21.9% viz-a-viz 23.5% registered during the previous financial year. Excluding the impact of one-time COVID related inventory provision of ₹1,832 mn, EBITDA margin for the year stood 23.1%.
- Net profit was up by 110% y-o-y to ₹44.9 bn, from ₹21.3 bn last year. Excluding the impact of COVID related inventory provision as mentioned above, profit from discontinued operations and certain exceptional and non-recurring items, net profit grew by 12% during the year.
- The Company was a net cash Company as on 31st March, 2022 supported by one-time gains from the divestment of India-centric Animal Health business against the net debt of ₹34.9 bn as on 31st March, 2021. Net debt-equity ratio was nil as on March 31, 2022 as against 0.27:1 as on March 31, 2021. Net debt to EBITDA ratio for the year was -0.02 as against 1.03 in FY21.

Innovation

New Chemical Entity (NCE) Research

- Initiated global pivotal Phase II(b)/ III clinical trials viz. EPICS-IIITM of Saroglitazar Magnesium to evaluate the efficacy and safety of the molecule in patients with Primary Biliary Cholangitis (PBC).

The molecule received an Orphan Drug Designation (ODD) from European Medicines Agency (EMA) for PBC indication.

- Initiated enrolment of patients for EVIDENCES-X Phase II(b) clinical trials of Saroglitazar Magnesium to evaluate the efficacy and safety of the molecule in patients with Non-Alcoholic Steatohepatitis (NASH) and Fibrosis indications.

- Received marketing authorization in India for the second NCE viz. Desidustat which is indicated for the treatment of anemia in Chronic Kidney Disease (CKD) patients.

In March, 2022, the molecule was launched in India under the brand name OxemiaTM.

- Completed Phase I clinical trials of ZYL1, a novel oral small molecule

targeted at selectively suppressing inflammation caused by the NLRP3 inflammasome.

Initiated Phase II(a) clinical trials of the molecule in Australia which would study the safety, tolerability, pharmacokinetics and pharmacodynamics in patients with Cryopyrin-Associated Periodic Syndrome (CAPS).

- Completed Phase I clinical trials for an anti-malarial drug candidate ZY19489. The molecule is fast-acting and effective against both *P. falciparum* and *P. vivax* strains of malarial parasites.

USFDA granted an Orphan Drug Designation (ODD) status to this molecule during the year.



Biologics

- Launched the first biosimilar of an Antibody Drug Conjugate (ADC) Trastuzumab Emtansine under the brand name Ujvira™ in India. It is a highly effective drug for treating both

early and advanced HER2 positive breast cancer.

- Submitted marketing authorization application to Drug Controller General of India (DCGI) for Rituximab biosimilar during the year.

- On the international front, received the GMP approval for the manufacturing facility from the Mexican regulatory authority COFEPRIS for 3 products.

Vaccines

- Received marketing authorization in India for Diphtheria and Tetanus Vaccine (Adsorbed) for adults and adolescents.
- On the global supply front, rabies vaccine manufacturing facility which

is one of largest rabies manufacturing facilities in India received WHO pre-qualification.

This will enable the Company to supply the vaccines to the procurement agencies like The Global Alliance for Vaccines and Immunization (GAVI) and

Pan American Health Organization (PAHO).

- Received an Emergency Use Approval (EUA) from DCGI for ZyCov-D as a two dose vaccine in April, 2022. Earlier in FY22, the vaccine received an EUA as a three dose vaccine.

Specialty and Complex Generics

- Successfully completed 2 pivotal studies of CUTX-101, a Copper Histidinate product candidate intended to treat Menkes disease, a rare and fatal paediatric disease caused by mutations in copper transporter gene.
- Entered into an asset purchase

agreement with BridgeBio Pharma for acquisition of NULIBRY™ (Fosdenopterin for Injection). The product is approved by the USFDA to reduce the risk of mortality in patients with molybdenum cofactor deficiency (MoCD) Type A, an ultra-rare, life-threatening paediatric genetic disorder.

- Received a tentative approval from the USFDA for a New Drug Application (NDA) for Sitagliptin base tablets.

- Received a clearance from the USFDA for an Investigational New Drug (IND) application for a product in Pain Management area. NDA for this product is expected to be filed soon.



India Business



India Formulations

- In order to stay competitive and to accord specific thrust to the focused therapeutic areas, restructured the prescription business of the wholly owned subsidiary of the Company viz. Zydus Healthcare Ltd. into 3 clusters viz. specialty business, chronic business and mass business.
- On the super specialty front, maintained leadership position in the Nephrology segment while in the Oncology space, the Company was the fastest growing Company in India.
- Launched 37 new products including line extensions, out of which 13 were first in India launches.

New launches for the year include Ujvira™ which is the first biosimilar of an antibody drug conjugate Kadcyła®. The brand clocked over ₹500 mn sales in the first year of launch. This launch will further strengthen the oncology franchise which has 2 leading brands viz. Vivitra™ and Bryxta®.

- Undertaken an initiative to unlock

the distribution efficiency by plugging the current gaps viz. siloed ownership across functions, limited stockist engagement, higher channel inventory, and nascent efforts with modern trade/e-pharma.

- Undertaken multiple digitalization initiatives with an aim to improve healthcare delivery, offer better customer experience and build responsive back-end.
- Posted sales of ₹48,125 mn, up 19%. Excluding sales of COVID related products, generics portfolio and divested brands, the branded business grew by 21%.

Consumer Wellness

- Cost optimization initiatives coupled with calibrated price increases taken towards end of the third quarter of the fiscal helped to sustain the profitability levels despite the external challenges posed by the second wave of COVID-19 and rising inflation levels from the second half of fiscal.

- Investments being made to converge offline and online trade to expand the customer base and improve the profitability.
- Undertaken various initiatives across functions including digitalization of processes across the value chain to create a leaner and more efficient organization.
- Re-launched Complan brand with an improved taste and pack design. The re-launch also strengthened the proposition of the brand by not only focusing on growth but also on memory and concentration.
- Extended the offerings of EverYuth brand into the skincare space with the launch a new range of body lotions with multiple variants.
- In order to expand the presence globally, incorporated a wholly owned subsidiary in Bangladesh and entered into new geographies across SAARC, MEA and SEA regions.
- Posted sales of ₹19,788 mn, up 7% and net profit of ₹3,089 mn, up 160%.

US Formulations

- Ranked 5th among US generic companies based on prescriptions (Source: IQVIA, Regulatory Insights, MAT March 2022 TRx).
- Despite the increased competition and pricing pressure, the business continued to grow the overall volume and maintained a top 3 ranking in about 60% of product families. In about 20% of the product families, the business held leadership position in terms of volumes (Source: IQVIA,

Regulatory Insights, MAT March 2022 TRx).

- Received 28 ANDA approvals (including 10 tentative approvals) from the USFDA during the year. Approvals for the year include receipt of final approval for Nelarabine injection which was granted 180 days exclusivity and Fulvestrant injection which was the first approval of a complex product from the Biologics site.

New product approvals include 5 first cycle approvals and 7 first generic approvals.

- Launched 14 products during the year.
- Filed 26 ANDAs with the USFDA during the year, taking the cumulative number of filings to 420.
- Posted sales of ₹58,138 mn, down 8%.

Emerging Markets of Asia, Africa and Latin America

- The business could grow on the back of strong demand witnessed in base portfolio despite pandemic related challenges in different countries.
- Regained number one position

in Sri Lanka with a market share of 7.4% with 30 brands ranked as leaders in their respective molecule categories (Source: IQVIA Report).

- Strengthened the business

development efforts with a strong focus on in-licensing and out-licensing initiatives.

- Posted sales of ₹11,921 mn, up 17%.



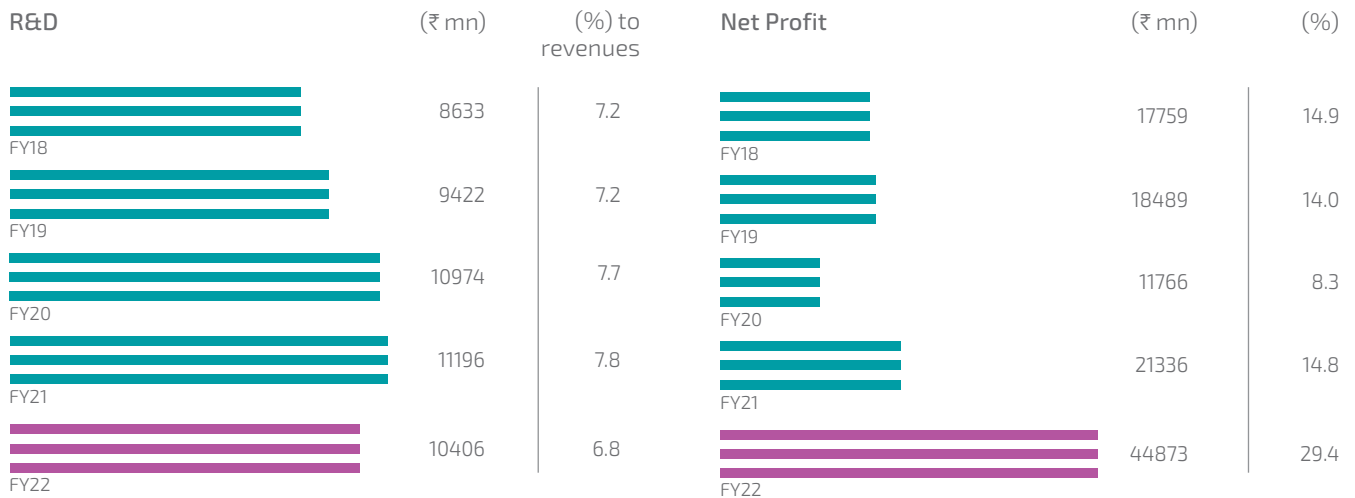
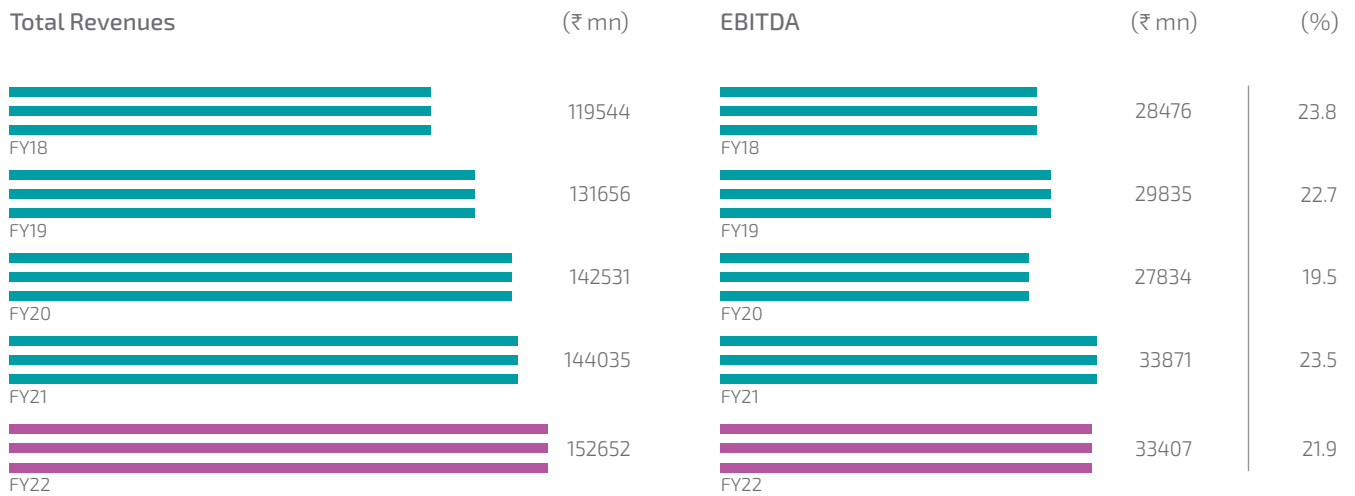
APIs

- Thrust on operational efficiency enhancement through various measures aided the profitability of the business.
- Filed 6 DMFs with the USFDA, taking the cumulative US DMF filings to 128.
- Posted sales of ₹5,702 mn, up 1%.

Manufacturing and Quality

- Injectable formulations manufacturing facility at Jarod, Gujarat underwent a USFDA inspection which concluded with three observations. Post the inspection, received one site transfer approval and one new product approval which were filed from Jarod facility.
- Commenced concurrent manufacturing in different areas of oral solid dosage facility located in Ahmedabad SEZ which caters primarily to the US market. This is expected to increase the throughput of this facility by 20%.

Finances at a Glance



Net Debt to EBITDA

(X)



ROCE

(%)



US Revenues

(US\$ mn)



India Formulations Revenues

(₹ mn)





Management Discussion and Analysis

Global Economy

As the world enters the third year of COVID-19 pandemic, global economic developments have been both encouraging and troubling. Output in many countries rebounded in 2021 after a sharp decline in 2020, aided by pick-up in international trade, high commodity prices, stimulus infused by government and lower incidences of foreign debt restructurings and domestic financial crises. Rapid advancement in vaccination rates in advanced and middle-income countries also aided opening up of the economy and gradually getting back to normal. However, evolving geopolitical disturbances and continued inflationary pressure present uncertainties and risks. The growth is likely to face headwinds in 2022 in the light of factors such as COVID-19 flare-ups, inflationary pressure and in turn, gradual unwinding of accommodative policies and persistent supply challenges (Source: *Global Economic Prospects Report*).

Global inflation continued its upward journey during the year which has been further aggravated by

the Russia-Ukraine conflict. The rebound in global demand and activity since mid-2020, together with supply disruptions and rising food and energy prices, have pushed headline inflation to decadal highs across many countries. The global median headline Consumer Price Inflation (CPI) rose to 7.8% in April, 2022, up from a pandemic-related trough of 1.2% in May, 2020. This is the highest level of CPI since 2008. The increase in inflation has led various central banks to partially unwind their accommodative monetary policies. Global growth watchers, as their slowing growth projections reflect, have also factored in monetary tightening the world over to calm down global inflation. That the cost of restraining inflation will be slowing the global growth is manifest in the April update of the World Economic Outlook (WEO) of the International Monetary Fund (IMF) that projects growth of global output to decline from 6.1% in 2021 to 3.6% in 2022 as well as 2023 (Source: *Global Economic Prospects Report*).

Indian Economy

Indian economy continued to display broad based recovery during the financial year 2021-22 as indicated by various health parameters of an economy after an exceptional fiscal 2020-21 when the COVID-19 pandemic led to contraction of economy. The fiscal year 2021-22 commenced on a difficult note for the country as the second wave of COVID-19, which emerged from the mid of March, 2021 spread rapidly across the country and put an unprecedented stress on the healthcare ecosystem of the country. With a gradual reduction in daily COVID-19 cases since the second half of May, 2021, the economy started showing signs of revival on the back of targeted fiscal relief, monetary policy measures and a rapid vaccination drive. In fact, the economy recovered fully from the impact of pandemic as real GDP for the financial year 2021-22 exceeded that of the most recent pre-pandemic year of 2019-20. In terms of sectoral performance, growth of agriculture sector remained robust with a real growth of 3.3% during the year. Industry and service sectors have also shown robust growth particularly in the second half of the year. For the financial year 2022-23, WEO of IMF has projected India to be the fastest growing economy. Lending credence to this projection, the year has begun with a strong growth in economic activity in the month of April, 2022 as displayed by various performance

indicators of the economy (Source: *Monthly Economic Reports, Department of Economic Affairs, Government of India*).

Headline retail inflation or Consumer Price Index (CPI) for the financial year 2021-22 stood at 5.5% as compared to 6.2% last year. A weaker food inflation more than offset the price surge in fuel and light categories of consumption basket to bring down the overall CPI. Core inflation (CPI excluding food and fuel), a more stable measure of inflation, remained sticky during the period at 6.3% compared to 5.5% last year as demand pressure in the economy sustained during the period. Wholesale Price Index (WPI) inflation witnessed a sharp uptick and stood at 13% for the financial year 2021-22 against 1.29% during the previous fiscal partly on account of unfavourable base effect. As the base effect wears off, WPI inflation is expected to moderate (Source: *Monthly Economic Reports, Department of Economic Affairs, Government of India*).

The geo-political tension triggered by the conflict between Russia and Ukraine since February, 2022 has not ceased yet. The economic fallout of the crisis is only gradually unfolding. As a consequence of war, international prices of crude oil and other commodities shot up and remained at an elevated level, escalating the cost of country's import basket.



Global Pharmaceutical Industry



The pharmaceutical sector represents a huge industry, with the global market valued at over US\$ 1.4 tn. The industry has experienced significant growth during the past two decades. In fact, the use of medicines grew by 42% over the past decade globally, driven mainly by increased access to medicines in pharmerging countries though lower income countries

continue to see decline in access to medicines, potentially putting health improvements at risk.

Going forward, global medicine spending is expected to grow in mid-single digit and reach approximately US\$ 1.8 tn by 2026. Launch of new medications to meet the unmet medical needs, aging population resulting in increased per capita

medicine consumption and a rise in the prevalence and treatment of chronic diseases will drive the growth of the market going forward.

In terms of geographic split, developed countries i.e. the countries with upper middle or high incomes are expected to grow in the range of 2-5% through 2026, similar to the rate at which they grew during the period 2016 to

Global pharmaceutical market at a glance



estimated value of **global medicine** spending by 2026



2021. Pharming countries were the fastest growing markets during the last 5 years. These markets are likely to remain the fastest growing segment though the growth is expected to moderate and remain in the range of 5-8% through 2026 viz-a-viz the growth of around 8% recorded during last 5 years. Pharming markets will grow through continued access expansion and wider use of novel medicines in those countries, while in developed markets, new medicines that are increasingly specialty, niche and rare-disease-focused will drive growth which will be partly offset by maturing biosimilar market dynamics and declining costs in older medicines.

In terms of therapies, the two leading global therapy areas viz. oncology and immunology are estimated to grow at a CAGR of 9-12% and 6-9% respectively through 2026. The growth will be driven by significant increase in new treatments and medicine use which will be partly offset by losses of exclusivity and launch of biosimilars. Oncology is projected to add 100 new treatments over five years, contributing nearly \$120 bn in new spending and bringing the total market to more than \$300 bn in 2026. Within Neurology, another high growth therapy, growth in areas like rare disease Alzheimer and Pain, including migraine is likely to grow at 6-9% through 2026. By 2026, medicine

spending will include nearly 60% from specialty medicines in developed markets while globally, 45% of the total spending on medicines will be contributed by specialty with the remainder from predominately older and traditional therapies that will become progressively lower cost over time. The biologics market is growing at a significant rate and is expected to continue outstripping that of small molecules in the coming decade.

COVID-19 boosted the global use of medicines, particularly due to rapid vaccination and discovery of new treatment alternatives. Global COVID-19 spending is expected to have crossed \$80 bn in 2021 and the cumulative spending is likely to exceed US\$251 bn through 2026.

Despite the influence of several emerging market countries, the US remained the largest region in the global pharmaceuticals market, accounting for over 40% of the market in 2021. Pharming markets was the second largest cluster accounting for 25% while EU5 countries accounted for 15% of global pharmaceuticals market. In fact, the US is home to some of the biggest pharma companies worldwide and American consumers have access to one of the most advanced pharmaceutical eco-systems in the world. While the US is expected to be the largest pharmaceutical market in 2026, the pharming countries are expected to grow at a faster pace going forward (Source: IQVIA Global Use of Medicines, 2021).



Indian Pharmaceutical Industry



In the global pharmaceuticals sector, India is a significant and rising player. India is the world's largest supplier of generic medications, accounting for 20% of the worldwide supply by volume and supplying about 60% of the global vaccination demand. The Indian pharmaceutical sector is worth US\$ 42 bn and ranks 3rd in terms of volume and 13th in terms of value worldwide (Source: IBEF).

Indian pharmaceutical industry is known for its generic medicines and low-cost vaccines globally. Transformed over the years, Indian

pharmaceutical industry currently ranks third globally in terms of production volume. The industry has been consistently generating trade surplus for the country. During the financial year 2021-22, total pharmaceutical export was US\$ 24.4 bn against the total import of US\$ 6.7 bn, thereby generating a trade surplus of US\$ 17.7 bn (Source: Department of Pharmaceuticals, Annual Report 2021-22).

Indian Pharmaceutical Market (domestic formulations) is worth US\$ 23 bn and is amongst the world's

fastest growing pharmaceutical markets. The industry showed resilience and managed to grow reasonably over the course of last 5-6 years despite the unfolding of a series of adverse macro factors such as demonetization, implementation of Goods and Service Tax (GST) regime, control on prices of products forming part of National List of Essential Medicines (NLEM) and pandemic-led lockdowns. Factors such as large population, increased purchasing power, rise in prevalence of chronic diseases and deeper insurance penetration make India one of the

Indian pharmaceutical industry at a glance



Size of the Indian pharmaceutical market (among world's fastest growing)



Estimated size of the Indian pharmaceutical market by 2026

most promising pharmaceutical markets in the world. The market is estimated to grow in high single to low double digits over next 5 years and reach a size of US\$ 35 -40 bn by 2026.

The year gone by turned out to be an encouraging one for the Indian pharmaceutical industry as it rebounded strongly after registering a muted growth of 2.1% in financial year 2020-21 which was impacted by the pandemic and the measures taken by the Government to contain its spread. Overall, the growth for the financial year 2021-22 stood at 14.6%. Volume expansion and price increase both accounted for around 6% growth each while the remaining growth was contributed by new products. Growth in the first half was accentuated, partly aided by low base of previous year while in the second half, the growth was challenging as the market grew by just 4.8% mainly due to contraction in volumes (Source: AWACS MAT March 2022 report).

Analysing the therapeutic performance, during the year, acute/ semi-chronic therapies have grown faster than the chronic segment. Anti-infectives was the largest therapeutic area during the year while the respiratory segment grew

the fastest during the year (Source: AWACS MAT March 2022 report).

The market continues to evolve with the advent of new channels of distribution like online pharmacy, digital tools to engage with healthcare practitioners and rising thrust by the government for unbranded generics. Larger players have started to adapt and formulate their future growth strategies to remain in sync with the new market realities that are emerging.

The Government of India has rolled out Performance-linked

Incentive schemes (PLI schemes) with an aim to increase efficiency and competitiveness of the Indian Pharmaceutical industry. This is aimed to reduce dependence of importation and increase self-reliance for key pharmaceutical inputs. The scheme has seen positive response from industry participants and would help in solidifying India's positioning as a leading supplier of high quality pharmaceutical products, including key APIs and intermediates.



Zydus Lifesciences Ltd.



Zydus Lifesciences Ltd. (formerly known as Cadila Healthcare Ltd.) is one of the leading innovation driven pharmaceutical companies in India with presence across the pharmaceutical value chain including innovating (research & development), manufacturing, marketing and selling of finished dosage human formulations (generics, branded generics and specialty formulations, including biosimilars and vaccines), active pharmaceutical ingredients ("APIs"), animal healthcare products and consumer wellness products. Innovation is the backbone of the Company as it ensures business sustainability through continuous availability of new products for various businesses. The Company has a global presence and sells its products in the United States, India, Europe and emerging markets including countries in Latin America, Asia Pacific region and Africa. The Company has a global manufacturing footprint of 35 facilities that adhere to stringent regulatory compliance standards and have capabilities to manufacture diverse dosage forms at scale, offering cost-effective and high-quality pharmaceutical products to customers worldwide.

Innovation – growth engine for the Future



1400+

researchers

7-8%

of annual revenues invested in research and development



4

Novel drugs launched from lab to market (Saroglitazar Mg, Desidustat, TwinRab and ZyCov-D)

30

Biologics in portfolio (including 8 Novel biologics and 22 biosimilars)



7

R&D facilities

55

Patents filed in the financial year 2021-22

Innovation has been the cornerstone of the Company's success in the pharmaceutical space over the years. The Company invests its resources optimally to ensure that it continues to evolve as a progressive life sciences company. The Company will continue to drive the Innovation agenda going forward as it reinforces its commitment to being dedicated to life and improving health outcomes of people globally. Even as the Company continues to expand the businesses in generic and branded formulations space, the innovation engines continue to progress in the novel drug discovery, vaccines, biosimilars and new dosage form development areas. The Company has achieved a notable success in the Innovation space as some of its efforts have already completed full life cycle, with products like Bilypsa (saroglitazar), Oxemia (desidustat), Ujvira (biosimilar Kadcyła), and Exemptia (first launched biosimilar of adalimumab globally)

completing the life cycle journey from lab to market, and going strong.

Investments on Research and Development, over the years have continued to scale up, and more so in recent years as some of the differentiated products have advanced and entered clinical phases of development.

The Company's innovation program is spearheaded by over 1400 researchers across its 7 state-of-the-art R&D centres. The Company invests approximately 7 to 8% of its annual revenues on R&D. Adoption of advancement in technology, digitalization, improved knowhow and competencies enable the Company to progress further in diverse areas from NCEs to vaccines, biosimilars, niche technologies and to generic product development. The Company's relentless pursuit on Innovation helps to progress further in its mission to impact human lives with better health outcomes by ensuring that the high

quality and effective products reach the patients globally.

The Company continues to invest in generics R&D pipeline build-up with a higher focus incrementally on more differentiated products across diversified dosage forms including drug-device combination products. The generics R&D efforts which are largely centralised at PTC (Pharmaceutical Technology Centre) in Ahmedabad, India have always focused on agility, execution and efficiency. Consequently, the Company has been able to file at a significantly higher pace relative to industry standards in a very prudent cost-efficient model.

PTC is responsible for generic dosage formulations development for the global businesses, including US, India, Europe and Emerging Markets.

An overview of the efforts being put in by the Company in different areas of innovation is provided hereafter:

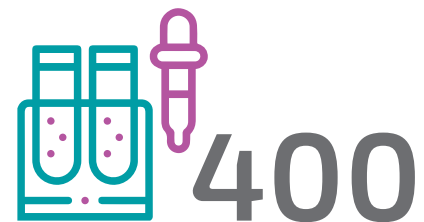


New Chemical Entity (NCE) Research

Zydus Research Centre (ZRC) is the dedicated arm of the Company which is responsible for driving its NCE research endeavours. Based out of Ahmedabad, India boasting a team of around 400 highly qualified research professionals, ZRC spearheads the group's quest of creating healthier and happier communities globally. ZRC is working on cutting edge technologies in different scientific disciplines to discover novel therapeutic agents and targeting unmet medical needs. It has the capabilities to conduct drug discovery and development from

concept to Investigational New Drug (IND) enabling pre-clinical and clinical studies. ZRC's focus areas of NCE research include cardio-metabolic disorders, inflammation, fibrosis and infectious diseases.

It was a momentous year for the Company's R&D efforts on the NCE research front as it achieved a few important milestones in this space during the year. Molecule-wise summary of the progress made by the Company during the year is presented below:



Research professionals in ZRC

Saroglitazar

On the global development front, the molecule made further progress during the year as the Company's wholly owned subsidiary Zydus Therapeutics Inc. USA initiated global pivotal Phase II(b)/ III clinical trials viz. EPIC-III™ in patients with Primary Biliary Cholangitis (PBC). PBC is a disease with a global prevalence of approximately 40 cases per 100,000. Women are much more likely to be affected by PBC than men, and the incidence increases after the age of 50. Approx. 40% of the patients are either non or partial responders to the current treatment options, resulting in a highly underserved patient population. The trials will randomise 192 subjects in a 1:1:1 ratio to Saroglitazar 1 mg, Saroglitazar 2 mg or Placebo and will study the effects of a molecule relative to Placebo

over a period of 52 weeks. Results of phase II(a) trials were published in the peer-reviewed journal "Hepatology", wherein it was demonstrated that the molecule holds immense potential for the treatment of PBC based on its safety and efficacy profile. During the year, the molecule received an Orphan Drug Designation (ODD) from the European Medicines Agency (EMA) for PBC indication. With this, the molecule holds an Orphan Drug Designation (ODD) from both the USFDA and the EMA and a Fast-Track designation from the USFDA. ODD status provides the molecule an eligibility for certain development incentives, regulatory fee exemptions, seven year marketing exclusivity upon USFDA approval and ten year marketing exclusivity if the treatment is approved by EMA.

In May, 2021, Zydus Therapeutics Inc. USA received approval from the

USFDA to initiate Phase II(b) clinical trials viz. EVIDENCES-X trials of the molecule to evaluate its efficacy and safety in subjects with Non-Alcoholic Steatohepatitis (NASH) and Fibrosis indications. The trials were initiated in the month of August, 2021, and patient recruitment is ongoing currently. Positive results from Phase II(a) global clinical trials evaluating Saroglitazar Magnesium in patients with NASH were published in October 2021 issue of peer-reviewed medical journal "Hepatology".

Enrolment of patients is also going on at present across several clinical sites in the US for EVIDENCES-VII (Evaluation in NAFLD / NASH of Saroglitazar Magnesium) Phase II(b) clinical trials for assessing the effect of Saroglitazar Magnesium in treatment of NAFLD in women with Polycystic Ovary Syndrome (PCOS).



- ▶ Initiated global pivotal Phase II(b)/ III clinical trials viz. EPIC-III™ in patients with Primary Biliary Cholangitis (PBC).
- ▶ Received an approval to initiate Phase II(b) clinical trials viz. EVIDENCES-X trials for Non-Alcoholic Steatohepatitis (NASH) and Fibrosis indications.

Desidustat

The Company received a marketing authorization from the DCGI for the second NCE viz. Desidustat which is an oral, small molecule hypoxia-inducible factor-prolyl hydroxylase (HIF-PH) inhibitor. It is indicated for the treatment of anaemia in Chronic Kidney Disease (CKD) patients both on dialysis and not on dialysis. The molecule provides an alternative to injectable Erythropoietin-Stimulating Agents (ESAs), thereby giving CKD patients a convenient option for the treatment of anaemia.

The molecule was launched in India in March, 2022 under the brand name Oxemia™. It will further consolidate the Company's leadership position

in the Indian Nephrology market. As per the study conducted by Lancet in 2020, 114 mn people in India, 132 mn people in China, 38 mn people in the United States, 21 mn patients in Japan and 41 mn people in Western Europe are estimated to be living with Chronic Kidney Disease. This underscores the molecule's global potential as well.

On the global development front, Desidustat is being pursued in the US for Chemotherapy Induced Anaemia (CIA). At present, the clinical trials are going on for this indication. The molecule is also undergoing Phase III clinical trials in China for the management of CKD.

▶ Received a marketing authorization, for the second NCE viz. Desidustat

▶ The molecule was launched in India in March, 2022 under the brand name Oxemia™.

ZYIL1 (NLRP3 inhibitor)

The Company is developing a novel, oral small molecule ZYIL1, targeted at selectively suppressing inflammation caused by the NLRP3 inflammasome. During the year, the company successfully completed Phase I multi-dose trials in healthy volunteers, wherein ZYIL1 was found

to be safe, well-tolerated and showed inhibition of IL-1beta biomarker as proof-of-biology. In January, 2022, Phase II (a) clinical trials were initiated in Australia, which will study the safety, tolerability, pharmacokinetics and pharmacodynamics in patients with Cryopyrin-Associated Periodic Syndrome (CAPS). CAPS is caused

by NLRP3 activating mutations that cause activation of the cryopyrin inflammasome and release of inflammatory cytokines including IL-1 beta. Selective inhibition of NLRP3 could be beneficial, as NLRP3 inflammasomes are primarily involved in the inflammation process in these patients.

ZY19489 (Anti-malarial)

Continuing the quest for developing a single-dose radical cure for malaria, the Company completed Phase I clinical trials of its antimalarial drug candidate ZY19489. It is a novel compound belonging to the triaminopyrimidines class, which is

fast-acting and effective against both *P. falciparum* and *P. vivax* strains of malarial parasites. ZY19489 is being developed to provide an effective alternative to the current front-line antimalarial drugs, as artemisinin-based combination therapies (ACTs) are under the threat of resistance. Phase I clinical trials in healthy

volunteers demonstrated long-half life and good safety profile. The results of Phase I clinical trials and the malaria challenge study have been published in Lancet Infectious Diseases journal. USFDA granted an Orphan Drug Designation (ODD) to this molecule during the year.

ZYBK2 (HLA-DRB1 Shared Epitope inhibitor)

On the auto-immune diseases front, Phase I clinical trials are currently

going on for ZYBK2, an Investigational New Drug (IND) intended to treat Rheumatoid Arthritis (RA). ZYBK2 has been specifically designed to inhibit HLA-DRB1 Shared Epitope that

determines susceptibility of a person to develop RA. The molecule has the potential to become a drug for the treatment of RA.

Biologics

The Company has one of the most comprehensive and diverse portfolios of biological products as its pipeline comprises of 8 novel biologics and 22 biosimilars (including commercialised and under development). The

portfolio covers therapeutic areas such as oncology, autoimmune disease, nephrology, ophthalmology, inflammation, rheumatology, hepatology, infectious disease etc. The pipeline has been created to serve

multiple markets, including low and middle-income countries. An update with respect to the progress made on the Biotech R&D front for different geographies is given below:



8

Novel biologics
(including commercialised and under development)

22

Biosimilars (including commercialised and under development)



India Market

During the year, the Company launched Ujvira™ (Trastuzumab Emtansine biosimilar) in India, which is the first biosimilar of an Antibody Drug Conjugate (ADC) Kadcyła® and a highly effective drug for treating both early and advanced HER2 positive breast cancer. The drug has significantly reduced the treatment cost for patients. The Company filed a marketing authorization application with DCGI for Rituximab during the year. The Company also received an approval from the DCGI to

initiate Phase III clinical trials for one more mAb during the year. Further strengthening its biosimilars portfolio, the Company received a permission from the Review Committee on Genetic Manipulation (RCGM) to initiate pre-clinical toxicity study for another biosimilar during the year.

On the novel biologics front, the Company completed the animal Proof of Concept (PoC) studies for one of the candidates and is expected to enter toxicological studies stage soon.

▶ Launched Trastuzumab Emtansine under the brand name Ujvira™, the first biosimilar of an Antibody Drug Conjugate Kadcyła®.

Emerging Markets

The Company received a GMP approval for the manufacturing facility from the Mexican regulatory authority COFEPRIS for three products during the year. The Company also received a positive opinion from the New

Molecule Committee (NMC) of COFEPRIS for two biosimilar products. Four biosimilar products are under different stages of review cycles with the regulatory authority of Columbia. The filing procedure has also been

initiated for other Latin American countries such as Guatemala, Chile, Venezuela, Peru and Costa Rica during the year.

Vaccines

The Vaccines Technology Centre (VTC) based in Ahmedabad houses the vaccines research initiatives of the Company. VTC has been developing vaccines for the basic vaccination programs such as Diphtheria, Pertussis, Tetanus, Haemophilus Influenzae type B, Hepatitis B, Measles, Mumps, Rubella, Varicella, Influenza and Typhoid fever as well as new vaccines such as Human Papilloma Virus, Leishmaniasis, Malaria, Haemorrhagic Congo Fever, Ebola and Japanese Encephalitis with an aim to cater to the requirements of both India and export markets. Over the years, the Company has built strong capabilities in vaccines research and has created a robust pipeline of vaccines and fifteen of them have received marketing authorizations in India so far.

During the year, the Company received

a marketing authorization in India for Diphtheria and Tetanus Vaccine (adsorbed) for adults and adolescents. On the development front, the Company received a regulatory permission to conduct Phase III clinical trials to evaluate the immunogenicity and safety of ZyVac TCV (Typhoid Conjugate Vaccine) in healthy adults aged 45 to 65 years.

On the global supply front, the Company's rabies vaccine manufacturing facility has received WHO pre-qualification and is one of the largest rabies vaccine manufacturing facilities in India. Pre-qualification by WHO will help the Company to expand its presence as it will enable the Company to supply the vaccines to the procurement agencies like The Global Alliance for Vaccines and Immunization (GAVI) and Pan American Health Organisation (PAHO).



ZyCov-D Vaccine Update

During the year, the Company successfully completed Phase III clinical trials and received an Emergency Use Approval (EUA) from the DCGI for ZyCov-D, which is the world's first Plasmid DNA vaccine for

COVID-19. Phase III clinical trials were carried out in over 28000 subjects at more than 50 clinical sites spread across the country. Population selected for the study included those in the age group of 12-18 years as well and as a result, ZyCov-D vaccine became the first vaccine for the

adolescents in 12-18 years age group in the country. Recently, in the month of April, 2022, ZyCov-D also received an EUA from the DCGI as a two dose vaccine. With this approval, the vaccine will now be administered on day 0 and day 28. Earlier, the vaccine was approved in a three dose regimen.

Specialty and Complex Generics

The Company has been investing its resources to build a sustainable growth engine for its US business and has leveraged a combination of in-house R&D efforts and business development to build a portfolio of complex generics and specialty products. This will not only boost growth outlook for the US business, but also help create sticky revenue stream with defined capabilities, a platform to grow further.

The Company's Specialty portfolio is focused on providing value-added treatments addressing unmet needs and enhancing the ease of patients and physicians with a viable commercial opportunity. The Company is actively looking at repositioning and repurposing existing drugs to support its Specialty portfolio. So far, the Company has developed a portfolio of 10 products including 2 in orphan diseases space with Pain Management, Neurology, Dermatology and Liver Diseases being the strategic areas of interest. Besides this, the Company is developing a portfolio of life-cycle management opportunities for existing products. The Company is also actively evaluating potential licensing and acquisition opportunities complementing focused therapy areas of interest in the Specialty space.

The Company's in-house developed Specialty portfolio made further progress, and during the year received a tentative approval from the USFDA for a New Drug Application (NDA) for

Sitagliptin base tablets. The Company also received a clearance from the USFDA for an Investigational New Drug (IND) application during the year for a product in Pain Management area. NDA for this product is expected to be filed in the near term.

Keeping with its mission to unlock new possibilities in life sciences through quality healthcare solutions that impact lives, the Company has identified orphan and ultra-rare diseases as a niche focus area for US Specialty business. As a part of that strategy, the Company has made two acquisitions in this space so far, through its wholly owned subsidiary Sentyln Therapeutics Inc. USA (Sentyln). We believe that this specialised platform for orphan and ultra-rare disease can be leveraged to market a basket of products, utilising common infrastructure and benefitting from operating leverage and expertise. First acquisition in the US Specialty space was acquisition of rights to Copper Histidinate product candidate CUTX-101 from Cyprium Therapeutics Inc. USA in the financial year 2020-21. CUTX-101 has been granted an orphan drug and fast track designation by the USFDA for Menkes disease which is a rare and fatal paediatric disease caused by mutations in copper transporter gene, due to which a new born is unable to absorb copper. If untreated, it may cause premature death within first three years of a child's life. During the year, Sentyln and its licensing partner

Cyprium Therapeutics Inc. announced positive results from an efficacy and safety analysis of data from two completed pivotal studies in patients with Menkes disease treated with CUTX-101. The product is under rolling submission and an initial module of a New Drug Application (NDA) of CUTX-101 was filed with the USFDA during the year. The remaining modules are expected to be filed during 2022.

During the year, Sentyln entered into an asset purchase agreement with BridgeBio Pharma for acquisition of NULIBRY™ (Fosdenopterin) for Injection which is approved by the USFDA to reduce the risk of mortality in patients with molybdenum cofactor deficiency (MoCD) Type A, an ultra-rare, life-threatening paediatric genetic disorder. With the acquisition of NULIBRY™, the Company aims at bridging unmet healthcare needs of children with rare and orphan paediatric diseases. The Company is also facilitating early diagnosis and treatment by enhancing awareness, new-born screening, genetic testing and patient support across multiple products and rare diseases.

The Company is working diligently to extend its expertise from traditional generics to complex generics products to drive future growth in the US. The challenges involved in the development of these products including complexity in active ingredient availability/scale-up, IP challenges associated with drug-

device combination, expensive clinical trial requirement and multiple other barriers make complex generics an attractive, low competition opportunity. The Company has made the investments in this space through partnership efforts (complemented by internal R&D expertise). The Company has entered into partnerships for some of these products so as to expedite the development timelines and favourably balance associated risks and investments. Currently, several complex generics, such as modified release oral solids, complex injectables, transdermal patches and drug-device combinations are either under registration and/or under development, for the US market. Till date, the Company has successfully in-licensed 23 products in the complex generics space addressing a market size of ~ US\$ 22 bn (Source: IQVIA MAT February, 2022).

▶ During the year, the Company received a tentative approval from the USFDA for a New Drug Application (NDA) for Sitagliptin base tablets.

▶ During the year, Sentyln entered into an asset purchase agreement with BridgeBio Pharma for acquisition of NULIBRY™ (Fosdenopterin) for Injection

Generic Development

The group's R&D efforts for generic product development are carried out at three Pharmaceutical Technology Centres (PTC) which are located in Ahmedabad, India. These Centres develop formulations for global markets having focused approach on niche dosage forms and building capabilities on various technology platforms. These centres operate through clusters with specific market-facing verticals to create responsive

and customer centric organization. The clusters are ably led by personnel with over two decades of multifaceted experience and expertise in pharmaceutical product development. Being the innovation drivers, PTCs employ a dedicated talent pool of over 700 scientists to help create a robust product pipeline adopting cost effective and eco-friendly technology that comply with stringent global regulatory standards.



700 scientists focused on generic product development

Digital Initiatives – To empower and enrich the Future



The Company strives to build an agile and adaptive organization to be able to fulfil its mission of providing effective healthcare solutions, leveraging digital tools and technological advancements. The Company promotes a culture of embracing the evolving Digital Transformation tools and practices to be future ready and to be effective in the journey of realizing its true growth potential. Awareness about disruptive digital trends and to design creative solutions by leveraging suitable technology will strengthen the connection with the patients, healthcare practitioners, vendors,

distributors, employees and other internal and external stakeholders. Going forward, the Company aims to further strengthen its capabilities to enhance productivity, efficiency and frugality to be able to deliver impact on healthcare services in an affordable manner. While the journey to digitalize the core business processes continues, the Company continues to expand the digital footprint across various functions, monitor the progress and impact of these measures. Digitalization efforts in the following key verticals/functions deserve a special mention.

India Formulations Business

The Company is one of the prominent players in the Indian Pharmaceutical Market (IPM) with a strong foothold across multiple therapies and a field force of nearly 5800 people. The Company acknowledges the vital role of digital technologies and has undertaken multiple initiatives across the functions to enhance reach with the stakeholders to improve performance. A summary of key initiatives being undertaken in the digital space across functions is provided below.

Field-force Management

► Upgradation of the internally designed on-line reporting system with a focus on data analytics to enhance the effectiveness of field representatives across different parameters and to get meaningful & actionable insights.

► Creation of multiple analytical reports and customized dashboards to facilitate data driven, informed decisions-making.

Brand Management

► Building of digital content creation and content delivery capabilities led by the design thinking approach to agile and innovative solution design. This approach enables us to create content in a manner that is deeply patient and customer centric, system based, efficient, cogent and consistent. It allows us to present our digital content in a manner that sets the foundation for a unique Zydus experience, content that is a delight to consume and easy to deliver, as in the E-Detailing platform to be launched in August, 2022.

Expiry Management

► Adoption of a rule-based

methodology to track the SKUs which are at the higher risk of expiry and a rule based mapping of SKU-stockist combination to generate meaningful insights for taking the actions beforehand. This will ensure better availability of our healthcare solutions and also optimize the working capital investments.

OPD eco-system evolution through Ayushman Bharat Digital Mission (ABDM)

► Digitization of prescriber clinics and offering customized solutions to patients by building personalized ecosystems in the form of nutrition, exercise, diagnostics, medicine delivery and device integrations. This will facilitate the healthcare practitioner to improve his diagnosis with reliable data and improve outcome for the patient.

Manufacturing

The Company is digitalizing various shop floor operations through the adoption of various advanced technologies with a focus on real time data generation and data omnipresence and in turn, build digitally connected manufacturing facilities. This initiative, known as Digital Factory Initiative will ensure reliable and responsive operations, at a reduced cost per unit.

More specifically, this initiative aims at:

► Digitalization of paper-based workflows to ensure enhanced compliance, ease of operations and proactive decision-making in routine operations.

► Adoption of Dynamic Workforce Automation Tool to simplify shop-floor workforce assignment and in turn, ensure availability of right skilled and qualified personnel at right manufacturing facility.

► Virtual Reality and Mixed Reality (VR/MR) enabled immersive training for shop-floor workforce which will result in quicker, safer & effective learning.

► Adoption of Digital Performance Management (DPM), a tool for an informed decision-making through the use of real-time intelligence.

► Adoption of Manufacturing Execution System (MES) to enable paperless

operations in manufacturing and in turn, ensure improved quality, compliance and maximum efficiency.

► HR Analytics tool to visualize organization structure and span of control across each layer and suggest structural changes based on comparison with industry benchmark.

► Automation of packaging processes to eliminate manual errors and improve efficiency.

Research & Development



The R&D team has developed and implemented a new Project Management Tool "IRIS" which covers New Product Development (NPD) and New Product Launch (NPL) activities. IRIS is a project management technology tool that provides real-time visibility in project milestones. It aims to create, update and track

new product development and new product launch activities of different projects across various geographies, thereby ensuring timelines and accountability for new product development. IRIS is positioned to enhance the co-ordination among various cross-functional teams. It provides management dashboards for

tracking the status of various projects and the risks and costs associated with them. During the year, the Company successfully commenced the NPD module and now has over 340 projects available in the tool and incremental new projects are being introduced through this platform.

Supply Chain

The Company has undertaken multiple digital initiatives on the supply chain front to create a robust and resilient supply chain. Notable ones among them are a supply chain digitalization project viz. Planning and Collaboration Excellence (PACE) and digitization of master data framework viz. project SEED (Smart and Effective Execution of Data).

Project PACE

► A customized, cloud-based network of automated processes and digital control towers, initiated for creating an integrated, dynamic and predictive supply chain.

► Leveraging technology to generate optimal manufacturing plan, optimize capacity utilization, automate material shortages and digital dashboards to offer real-time visibility of critical KPIs.

Project SEED

► SAP based master data solution to strengthen the master data structure from compliance, technical and functional perspective.

► In the first phase, successfully rolled out a centralized, '21 CFR compliant' SAP based master data solution for Material Master. It is a technology-based tool with structured workflows

and Audit trail facility that provides structured master data framework for better planning and decision making.

► Various cross-functional masters are envisaged to be taken up along with the SAP S/4 HANA journey, as a part of 2nd phase.

In addition to the above, the Company has deployed various analytical tools viz. SAP BI-BO, power BI and Tableau to help leverage the power of analytics and implemented SAP ARIBA – a digitized sourcing platform with an integrated vendor network.

SAP S/4 HANA Implementation – Analytics to improve data-backed decision making



The Company has undertaken an important initiative to transform its ERP system to modernize its digital core by reimagining the business processes through the greenfield implementation of SAP S/4 HANA across the enterprise. SAP S/4 HANA

is already implemented in subsidiaries Zydus Pharmaceuticals Inc, USA and Zydus Wellness Limited. Key benefits envisaged as a part of this initiative are:

► Productivity improvement through

enhanced speed of execution

- Embedded analytics to facilitate decision making
- Master data enhancement

Consolidated Financial Highlights

The financial statements for the current financial year and the comparative financial statements of previous financial year have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.

Total operating revenues

The total income from operations grew by 6% to ₹ 152.7 bn from ₹ 144 bn last year.

India geography which comprises human health formulations and consumer wellness business and which is the largest contributor to the consolidated revenues grew by 15% to ₹ 67,913 mn while the US formulations business which is the second largest contributor to the consolidated revenues de-grew by 8% and registered sales of ₹ 58,138 mn during the year.

Profits and margins

The EBITDA (Earnings before Interest, Taxation, Depreciation and Amortization) de-grew marginally by 1% to ₹33,407 mn from ₹33,871 mn last year. The EBITDA margin as % to total income from operations

for the year stood at 21.9% viz-a-viz 23.5% registered during the previous financial year. Excluding the impact of one-time COVID related inventory provision of ₹ 1,832 mn, EBITDA margin for the year stood at a robust 23.1%. Net profit grew by 110% to ₹44,873 mn from ₹21,336 mn, last year. Excluding the impact of COVID related inventory provision as mentioned above, profit from discontinued operations and certain exceptional and non-recurring items, net profit grew by 12% during the year.

Return on Net Worth

Return on net worth, excluding exceptional items and profit from discontinued operations for FY22 stood at 14.4% viz-a-viz 17.6% during FY21.

Interest Coverage Ratio

Interest coverage ratio has gone up to 26.3 in FY22 from 21.3 in FY21. The increase is mainly on account of reduction in finance cost in FY22. Finance cost for FY21 included the payment of interest on Non-Convertible Debentures for 6 months which had a higher coupon rate, resulting in higher finance cost for FY21.

Debt

The Company had a net debt free status as on 31st March, 2022,

supported by one-time gains from the divestment of India-centric Animal Health business against ₹ 34,862 mn last year. Net debt-equity ratio was nil as on March 31, 2022 as against 0.27:1 as on March 31, 2021. Net debt to EBITDA ratio for the year was -0.02 as against 1.03 in FY21.

Fixed Assets and Capital Expenditure

The consolidated gross block (including capital work in progress) at the end of the year was ₹ 183.8 bn, up by about ₹ 2.5 bn, from ₹ 181.3 bn last year. Net capital expenditure including capital work in progress but excluding acquisition related spend during the year was ₹11.2 bn. The capex during the year was incurred mainly for creation of new facilities and up-gradation and capacity expansion of existing facilities.

Capital employed and operating efficiency

The total Capital Employed (CE) at the end of the year was ₹ 232.5 bn, up from ₹ 195.1 bn at the end of the previous year. Increase in capital employed is mainly on account of increase in net worth. Net worth during the year went up on account of divestment of India-centric Animal Health business. Return on Capital Employed for the year was 13.6% viz-a-viz 14.3% registered during the previous financial year.



₹33,407mn

EBITDA in FY22



23.1%

EBITDA margin (excluding Covid related inventory provision) in FY22

Net debt free

As on 31st March, 2022



14.4%

Return on Net Worth in FY22



13.6%

Return on Capital Employed in FY22

An analysis of the performance of different business verticals of the Company is given below.

India Geography



India Formulations

The financial year 2021-22 was a robust year for the Company's human health formulations business in India as the business registered a strong double-digit growth during the year, following single digit growth during the preceding two financial years. Overall, the Indian Pharmaceutical market (IPM) also recovered and posted a strong double-digit growth of 14.6% during the year aided by volume expansion and new launches, after a muted growth of 2% in the financial year 2020-21 which was impacted by COVID-19 pandemic.

In order to stay competitive in a rapidly changing business environment and to accord specific thrust to the focused therapeutic areas, the prescription business of Zydus Healthcare Limited (the wholly owned subsidiary of the Company) was restructured during the year into three clusters viz. specialty

business, chronic business and mass business so as to put the business firmly on the path of sustainable growth in terms of revenue and profitability.

During the year, the Company undertook an initiative to unlock the efficiencies in the distribution network and in turn, improve the business performance. This initiative will focus on:

- ▶ upgrading the current system through stockist segmentation, expanding institutional stockists, inventory and expiry reduction, partnership approach with modern trade and e-pharma players and data and analytics-based decision-making.
- ▶ driving growth through retail engagement in the form of retail segmentation, prioritization and visibility, channel field force and digital


engagement with retailers.


Another initiative was undertaken to drive sales acceleration in the hospital and institutional channel as the Company sees a potential for faster growth in this segment.

Overall, the Company's formulations business in India posted sales of ₹48,125 mn during the year, up 19%. Excluding sales of COVID related products, generics portfolio and divested brands, the branded business growth was 21% on a y-o-y basis. The Company derived approx. one third of revenues from India formulations business which has a portfolio of leading brands spanning all major therapy areas in both chronic and acute segments; a large field force of around 5800 medical representatives; and a pan-India supply chain and distribution network.

In terms of therapy wise performance, Anti-diabetic and Gynaecology portfolio grew better than the market during the year. Ranking of the Company also improved in these therapy areas during the year viz-a-viz the preceding year. In the cardiology segment, the Company grew in line with the market during the year. Twelve of the Company's brands feature amongst top 300 pharmaceutical brands in India. Out of all the brands currently being sold, 8 brands recorded sales in excess of ₹ 1000 mn, 22 brands recorded sales between ₹ 500 to ₹ 1000 mn and 36 brands recorded sales between ₹ 250 to ₹ 500 mn during the year. Notably, the Company's novel product, Lipaglyn® gained 138 positions and

was ranked 108 with a growth of 78% during the year (Source: AWACS MAT March 2022). On the super specialty front, the Company continues to retain the leadership position in the Nephrology segment. In the oncology space, the Company was the fastest growing company in India. During the year, the Company launched 37 new products including line extensions, out of which 13 were first in India launches. Notable new launches for the year include Ujvira™ which is the first biosimilar of an antibody drug conjugate Kadcyła®. The brand clocked over ₹ 500 mn sales in the first year of launch. This will further strengthen the oncology franchise which has 2 leading brands viz. Vivitra™ and Bryxta®.

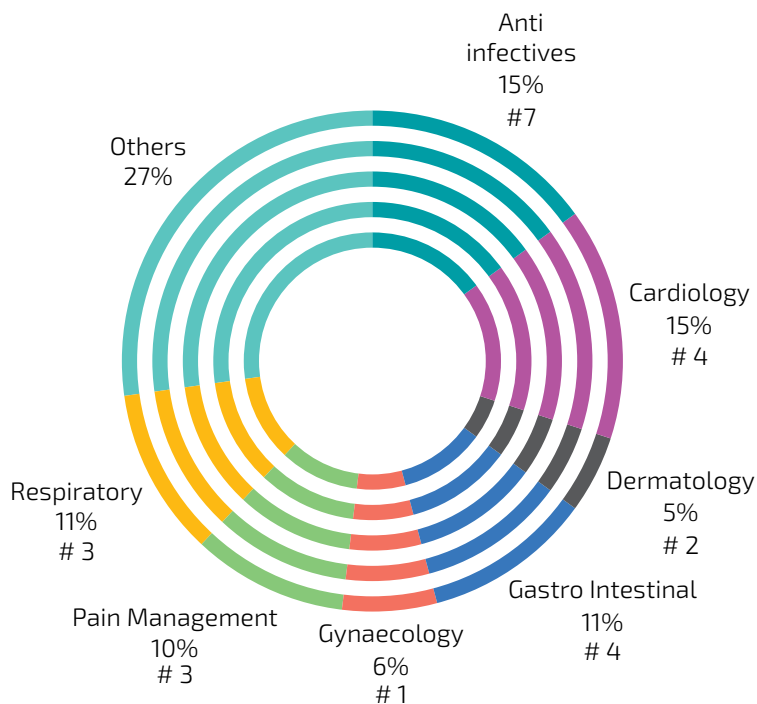
 **12** brands among Top 300 pharmaceutical brands in India

 **8** brands with revenues >₹ 1000mn

 **22** brands with revenues between ₹ 500 to ₹ 1000 mn

 **36** brands with revenues between ₹ 250 to ₹ 500 mn

Therapy wise split of revenues



(Source: AWACS MAT March 2022)

Represents Zydus' ranking in the promoted covered market

 **21%**

The branded **business growth** on a Y-o-Y basis (Excluding sales of COVID related products, generics portfolio and divested brands)

 **37**

New launches including 13 first in India launches.

 **1st**

Rank in the Nephrology segment in India

 **Fastest**

growing Company in Oncology space.

Consumer Wellness



Zydus Wellness Limited (ZWL), the Company's subsidiary, spearheads the group's operations in the consumer wellness space, which has a portfolio of leading brands, built organically over the years as well as acquired ones.

In FY 2021-22, the business environment remained challenging as the second wave of COVID-19 adversely affected the performance of summer-oriented brands viz. Glucon-D and Nycil. Rise in food and commodity prices from the second half of the fiscal impacted the purchasing power of the consumers, which resulted in demand moderation. However, cost optimization initiatives coupled with calibrated price increases taken towards the end of the third quarter of the fiscal helped the Company to sustain profitability levels.

The Company continues to hold the leadership position in 5 out of 6 brands and has a base of over 30 mn consumers which showcases the equity the brands enjoy in the market. The Company continues to channelize its efforts and resources towards expansion of product categories and increase the market share of its brands through multiple initiatives in the form of various promotional measures and continued product innovations. In order to expand the customer base and improve the profitability, the Company has made investments to converge offline and online trade. This will result in enhanced distribution infrastructure with a reach to over three million outlets (including 1 mn direct coverage).

With an aim to create leaner and a more efficient organization, the Company has undertaken various initiatives across functions which, among others, include digitalisation of processes across the value chain. One such initiative is to digitize the entire logistics via Transport Management Solution thereby improving the OTIF (on time in full) at granular level that will help reduce the freight costs. Another such initiative is to implement Integrated Business Planning (IBP) tool to automate the demand planning, supply planning and Sales & Operations Planning (S&OP) which will result in better availability and reduction in inventory.

During the year, the Company re-launched Complan brand with an improved taste and pack design.

The re-launch also strengthened the proposition of the brand by not only focusing on growth but also on memory and concentration. The re-launch was supported with a new campaign "Ummeedo se aage badhne ka plan" which communicates the key benefits of the brand. Another new campaign "Pack palto, fark dekho" was also launched which highlights the significance of right nutrition for a better growth.

In the skin cleansing category, the offerings of EverYuth brand was extended into the skin care space with the launch of a new range of body lotions with multiple variants.

With an aim to provide a healthy-yet-tasty experience, the Company launched Nutralite Doodhshakti dairy portfolio last year. The portfolio, which got impacted on account of second wave of COVID-19 immediately after the launch, started getting traction in the second half of the year. In the

month of March, 2022, the Company launched Nutralite Doodhshakti Professional Pure Ghee with an aim to penetrate into food services and institutional channels.

Exports business is going to be one of the key drivers of growth going forward as the business continued to grow in high double digits. During the year, the Company incorporated a wholly owned subsidiary in Bangladesh and expanded its presence globally by entering into new geographies across SAARC, MEA and SEA regions. Going forward, the Company aims to expand its presence in key regions by expanding the portfolio and introducing new products.

Overall, despite the challenging environment created by the pandemic and inflationary pressure, the business grew by 7% and posted revenues of ₹ 19,788 mn.



▶ Re-launched Complan brand with an improved taste and pack design



Brands out of six that hold the leadership position



Million consumers of the company, indicating brand leadership



▶ During the year, the Company incorporated a wholly owned subsidiary in Bangladesh and expanded its presence globally by entering into new geographies across SAARC, MEA and SEA regions.

US Formulations



US was the second largest market for the Company during the year, accounting for 39% of the consolidated revenues. The continued deflationary trend in product pricing along with reduced pace of new approvals owing to delays in regulatory inspections posed growth headwinds. In addition, the overall volume demand was subdued, thereby resulting in excess channel inventory which added to the pressure. Despite the increased competition and pricing pressure in the market, the overall volumes grew and the Company maintained top 3 ranking in about 60% of product families. In about 20% of the product families, the Company held leadership position in terms of volumes. In terms of overall ranking, the Company continues to maintain the fifth spot amongst the US generic companies based on prescriptions

(Source: IQVIA, Regulatory Insights, MAT March 2022 TRx).

In the financial year 2021-22, the Company launched 14 new products in the US generics market. New launches for the year include Enoxaparin sodium injection which was a first generic launch of the product by an Indian Company. The Company currently markets over 160 products in the US. With 26 ANDAs filed with the USFDA during the year, the cumulative number of ANDA filings stands at 420. Filings for the year include the first drug-device combination product filed on an NCE-1 date.

The Company received approval for 28 ANDAs (incl. 10 tentative approvals) during the year. Approvals for the year include receipt of final approval for Nelarabine injection which was granted 180 days exclusivity and

Fulvestrant injection which was the first approval of a complex product from Biologics site. Other notable approvals during the year include Mesalamine ER Capsules, Vigabatrin Tablets, Colestipol Tablets, Lenalidomide Capsules, Adapalene & Benzoyl Peroxide Gel, Pemetrexed Injection, and Ibrutinib Tablets. New product approvals for the year include 5 first cycle approvals and 7 first generic approvals. Among the approvals received, 12 were NCE-1/FTF submissions where the Company has an opportunity to be amongst the first wave of generic launches. Cumulative number of ANDA approvals at the end of the year stood at 312.

Overall, the Company's formulations business in the US posted a sales of ₹58,138 mn during the year, down 8%.



Ranking, in about **60% of product families**



ANDAs filed in FY 2021-22



Largest generic company in the US

Emerging Markets of Asia, Africa and Latin America



The Company operates in different countries of Asia Pacific, Africa, Middle East and Latin America. The subsequent waves of COVID-19 pandemic impacted the performance of the Company in different countries during the early part of the year. However, the business could recover and grow on the back of strong demand witnessed in the base portfolio. The Company regained its number one position in Sri Lanka with a market share of 7.4% (Source: IQVIA Report) with 30 brands ranked as leaders in their respective molecule categories. The Company continued to grow in Sri Lanka despite the geopolitical crisis that has been going on since September, 2021.

On the Latin America front, the Brazilian economy has been showing signs of recovery with green shoots appearing for various indicators of growth. During the year, the business in Brazil benefitted from supply of

critical care injectable products from India as ANVISA granted emergency use authorization for importation of these products due to acute shortages in the country. The Company filed 6 new product dossiers with the regulatory authority ANVISA and received approval for 3 new products during the year. Cumulative number of filings and approvals at the end of the year stood at 87 and 64 respectively. In terms of new launches, 15 new products were launched in Brazil during the year.

Growth in Mexico remained robust with a focus on the CNS segment and good secondary growth of core products. This is despite the recession in the country on account of the pandemic. 6 new product dossiers were filed with the Mexican regulatory authority COFEPRIS and 2 new products were launched in Mexico during the year. Cumulative number of filings and approvals at the end of the

year stood at 64 and 49 respectively.

In a continuing bid to combat COVID-19 pandemic, the Company supplied Remdesivir as well as other COVID related products to over 15 countries of emerging markets during the year. Regulatory organizations in most of the countries operated at sub-optimal level with focus being on COVID management which resulted in delay in new product approvals. In order to leverage the market opportunities, the Company strengthened its business development efforts with a strong focus on in-licensing and out-licensing initiatives in the key markets.

Overall, the Company's business in the Emerging Markets of Asia Pacific, Africa, Middle East and Latin America posted sales of ₹11,921 mn during the year, up 17% and contributed 8% to consolidated revenues of the Company.



new launches in Brazil during the year.



Position in Sri Lanka with a market share of 7.4% with 30 brands ranked as leaders in their respective molecule categories

(Source: IQVIA Report)

JVs and Alliances

Zydus Takeda Healthcare Pvt. Ltd.

Zydus Takeda Healthcare Pvt. Ltd. is a 50:50 JV between the Company and Takeda Pharmaceuticals Co. Ltd., Japan to manufacture a gamut of generic APIs covering various therapeutic categories and exports exclusively to the JV partner for its generic portfolio. The JV's manufacturing facility is designed to produce both intermediates and active pharmaceutical ingredients and is compliant with both national

and international GMP standards. During the year, manufacturing facility successfully completed desktop audit by the Japanese regulatory authority PMDA, customer audit by Bayer and local FDA inspection without any critical observations. Going forward, the focus of the JV will remain on expanding the volumes to be supplied to Takeda. As a part of its global sourcing strategy, Takeda has identified the JV site as a strategic site for API and API Intermediates manufacturing.

▶ As a part of its global sourcing strategy, Takeda has identified the JV site as a strategic site for API and API Intermediates manufacturing

Zydus Hospira Oncology Pvt. Ltd.

Zydus Hospira is a 50:50 contract manufacturing JV between the Company and Hospira Inc., USA (now part of Pfizer group), which manufactures oncology injectable products for marketing by both the JV partners in the respective markets assigned to them. During the year, the injectable manufacturing facility

of the JV, located in Ahmedabad SEZ, successfully completed the cGMP inspection by the Russian regulatory authority for registration of a product in Russian market. During the year, the manufacturing facility received the "Performance Award" from Pfizer management for the year 2021.

▶ Received "Performance Award" from Pfizer management for 2021.

Bayer Zydus Pharma Pvt. Ltd.

Bayer Zydus Pharma is a 75:25 marketing joint venture between Bayer (South East Asia) Pte. Ltd. (wholly owned subsidiary of Bayer AG, Germany) and Zydus Lifesciences Limited in India. The focus of the JV is on prescription products especially for cardiology and women's health

care and on specialty therapeutics in the areas of oncology, haematology and ophthalmology. The partnership combines Bayer's expertise in successfully commercializing novel products, sophisticated administration and sales processes according to international standards with

Zydus' strong marketing and sales expertise in India as well as excellent distribution network within the industry. Backed by strong research and development and a novel therapeutic approach, the JV is focused on meeting the patients' healthcare needs in India.

APIs

The Company has the capabilities to produce the APIs which is spread across different therapies with a notable presence in cardiovascular, anti-diabetic, gastro intestinal, anti-infectives and pain management therapeutic areas. With five state-of-the-art manufacturing facilities, a dedicated R&D centre and a team of scientists, API business continued to support the formulations business as it ensured the supply of materials to

the formulations plants in a timely and cost-efficient manner. The thrust on operational efficiency enhancement continued through various measures such as process improvement, procurement efficiency, savings in production expenses etc. which in turn, aided profitability of this business. During the year, the Company filed 6 US DMFs taking the cumulative number of filings to 128.

The Company's API business posted sales of ₹5,702 mn during the year, up 1% and accounted for 4% of consolidated revenues.



US DMFs filed in 2021-22
128 US DMFs filed cumulatively.

Manufacturing and Quality



The Company's operations across the globe are aptly supported by a pool of modern, cost efficient and regulatory compliant manufacturing facilities as they ensure supply of products to different markets in a timely and cost efficient manner. The Company has the capabilities to produce products across the value chain including small molecule formulations, APIs, vaccines, biosimilars, complex products, animal health products as well as wellness products. The Company has a network of 35 manufacturing facilities. Out of these, 29 facilities are for manufacturing of finished dosage formulations and active pharmaceutical ingredients. 11 of these 29 facilities have been inspected by the USFDA.

During the year, the Company's injectable facility at Jarod, Gujarat underwent a USFDA inspection which concluded with three observations. Post the inspection, the Company has received one site transfer approval and one new product approval from the facility. Moraiya formulations facility successfully completed the audits by the regulatory authorities of Ethiopia and Mexico. Goa formulations facility successfully completed the audit by the regulatory authority of Ethiopia. Both the units of Sikkim

formulations manufacturing facility successfully completed WHO GMP certification renewal audit while formulations manufacturing facility in Myanmar received WHO approval during the year. Oral Solid Dosage (OSD) formulations manufacturing facility located in Ahmedabad SEZ completed inspection by CDSCO during the year. Biologics fill & finish facility located at Biotech Park, Changodar near Ahmedabad received the renewal approval from the Mexican regulatory authority during the year.

During the year, the Company commenced concurrent manufacturing in different areas of OSD facility located in Ahmedabad SEZ (Ahmedabad SEZ-1 facility), catering primarily to the needs of the US market. This is expected to increase the throughput of this facility by 20%. Commercial manufacturing from the newly constructed Block 2 of Goa formulations facility also commenced during the year.

The table below provides the list of all the manufacturing facilities owned by the Company along-with the dosage forms which can be manufactured at those facilities and the regulatory authorities which have inspected the facilities.

QUEST – Quality Excellence by Sustainable Transformation



22 Sites covered through QUEST

155+ QUEST Circles in operations across 22 sites

12000+ Employees covered through QUEST

290+ Circle mentors & ICs trained on program

1150+ Circle representatives trained on circle operations

18600+ Quality improvement ideas implemented

17500+ Frontline employees rewarded as part of an on-going Quality culture R&R

130+ QA approved Awareness videos created to run on QTVs

685+ Types of awareness signage displayed across shop floors

4000+ campaign based theme created and ran during the daily dialogue sessions

550+ Trainers on-boarded to create quality-related awareness amongst entire frontline employees

27 Academy team members

Small Molecule Human Formulations

Sr. No.	Plant Location	Dosage Forms	Inspected by
1	Moraiya, Gujarat, India	Oral Solids, Injections, Nasals, Aerosols, Transdermals	USFDA, ANSM - France, ANVISA - Brazil, TGA - Australia, MCC - South Africa, COFEPRIS - Mexico, NDA - Uganda, MOH - Kenya, NMPB-Sudan, MOH - Ukraine, TMDA - Tanzania, FMHACA - Ethiopia, MOH - Libya, MOH - Yemen, MOH - Taiwan
2	Baddi, Himachal Pradesh, India	Oral Solids	USFDA, MOH - Ukraine, India FDA/CDSCO
3	Goa, India	Oral Solids, Injections	WHO-Geneva, EU-GMP, FMHACA - Ethiopia, NDA-Uganda, MOH - Kenya, TMDA - Tanzania, MOH - Yemen, MOH - Libya, India FDA/CDSCO
4	Unit 1, Sikkim, India	Oral Solids	MOH - Kenya, NMRA - Sri Lanka, DDA - Nepal, India FDA/CDSCO
5	Unit 2, Sikkim, India	Oral Solids, Topicals, Aerosols	India FDA/CDSCO
6	Matoda SEZ, Gujarat, India	Oral Solids	USFDA, EU-GMP, MOH - Taiwan, India FDA/CDSCO
7	Matoda SEZ, Gujarat, India	Transdermals	USFDA
8	Matoda SEZ, Gujarat, India	Injections	USFDA, PMDA-Japan, BGV-Germany, India FDA/CDSCO
9	Jarod, Gujarat, India	Injections	USFDA, India FDA/CDSCO
10	Changodar, Gujarat, India	Topicals	USFDA, COFEPRIS - Mexico, MOH - Yemen, MOH - Kenya, India FDA/CDSCO
11	Vatva, Gujarat, India	Injections	India FDA/CDSCO, NMPB-Sudan
12	Sanand, Gujarat, India	Injections	WHO-GMP, India FDA/CDSCO
13	Unit 1, Daman, India	Oral Solids and Injections	NDA-Uganda, MOH - Ivory Coast, DDA - Nepal, India FDA/CDSCO
14	Unit 2, Daman, India	Oral Solids and Injections	MOH - Kenya, India FDA/CDSCO
15	Rio de Janeiro, Brazil	Oral Solids and Liquids	ANVISA
16	Yangon, Myanmar	Oral Solids	Myanmar FDA

Animal Health Formulations

Sr. No.	Plant Location	Dosage Forms	Inspected by
1	Matoda SEZ, Gujarat, India	Oral Solids, Topicals	India FDA/CDSCO

Biological Products

Sr. No.	Plant Location	Dosage Forms	Inspected by
1	Unit 1, Changodar Gujarat, India	Biosimilar drug substance	USFDA (Specific to Fill Finish Unit), MOH - Russia, COFEPRIS - Mexico, TMMDA - Turkey, INVIMA - Columbia, FDA - Philippines, NDA - Uganda, MOH - Kenya, NADFC - Indonesia, NMRA - Sri Lanka, India FDA/CDSCO
2	Unit 2, Changodar Gujarat, India	Biosimilar drug substance	
3	Fill Finish Unit, Changodar, Gujarat, India	Injections	

Vaccine Products

Sr. No.	Plant Location	Dosage Forms	Inspected by
1	Flu and Hepatitis vaccine plant, Changodar, Gujarat, India	Vaccines	CDSCO
2	MMR vaccine plant, Changodar, Gujarat, India	Vaccines	
3	Bacterial Vaccines plant, Changodar, Gujarat, India	Vaccines	
4	Rabies vaccine plant, Moraiya, Gujarat, India	Vaccines	WHO-Geneva, NDA-Uganda, MOH - Libya, CDSCO
5	ZyCov-D Vaccine plant, Changodar, Gujarat, India	Vaccines	CDSCO

API Manufacturing

Sr. No.	Plant Location	Dosage Forms	Inspected by
1	Unit 1, Ankleshwar, Gujarat, India	API	USFDA, PMDA-Japan, BGV - Germany, Health Canada, COFEPRIS - Mexico, India FDA/CDSCO
2	Unit 2, Ankleshwar, Gujarat, India	API	USFDA, BGV-Germany, COFEPRIS-Mexico, NDA - Uganda, India FDA/CDSCO
3	Dabhasa, Gujarat, India	API	USFDA, TGA - Australia, DMA-Denmark, COFEPRIS - Mexico, MOH - Taiwan, India FDA/CDSCO
4	Changodar, Gujarat, India	API and Biosimilar Drug Substance	India FDA/CDSCO
5	Ekalbara, Gujarat, India	API	India FDA/CDSCO

Consumer Products

Sr. No.	Plant Location	Dosage Forms	Inspected by
1	Moraiya, Gujarat, India	Fat spread	FSSC 22000
2	Unit 1, Sikkim, India	Cosmetics, Glucose powder	FSSC 22000, Cosmetic GMP
3	Unit 2, Sikkim, India	Sugar substitute	FSSC 22000, Cosmetic GMP
4	Aligarh, U.P., India	Health food drinks, Glucose powder, Ghee, Blended sugar	FSSC 22000
5	Sitarganj, Uttarakhand, India	Health food drinks, Glucose powder, Sugar substitute preparations	FSSC 22000

Glossary:

TGA - Therapeutic Goods Administration, MCC - Medicine Control Conceal, NDA - National Drug Authority, MOH - Ministry of Health
 NMPB - National Medicine and Poison Board, TMDA - Tanzania Medicines and Medical Devices Authority, WHO - World Health Organization
 FMHACA - Food, Medicine and Healthcare Administration and Control Authority, DDA - Department of Drug Administration
 NMRA - National Medicines Regulatory Authority, PMDA - Pharmaceuticals and Medical Devices Agency,
 TMMDA - The Turkish Medicines and Medical Devices Agency, NADFC - National Agency of Drug and Food Control,
 DMA - Danish Medicines Agency, CDSCO - Central Drugs Standard Control Organisation, FSSC - Food Safety System Certification

Spend Rationalization

Operational Excellence (OE) team drives various efficiency enhancement and improvement initiatives so as to optimize the spend across different areas. One such initiative is PRISM program which the Company has been running since last several years to optimize the spend through multiple levers. During the year, 4 new categories (spend areas) were added to the purview of PRISM program, taking the total number of such categories to 24. Multiple ideas were generated and implemented across categories during the year which led to meaningful rationalization of costs.

With an aim to improve the product yields and increase the efficiency of manufacturing processes so as to make the products competitive in the market place, the Company runs a program SLIM (Strategic Lean Integrated Manufacturing) across

manufacturing sites. During the year, 1 more site was added to the purview of the program, taking the no. of sites covered by SLIM program to 24. Efforts on various improvement initiatives such as increase in batch sizes of products leading to a reduction in number of batches, yield improvement, Overall Equipment Effectiveness (OEE) improvement in packing lines and reduction in changeover time continued during the year.

During the year, the Company initiated a program WISE with an aim to use advanced digital and analytics tools to enhance overall compliance and efficiency through simplification. This will lead to an increase in throughput by unlocking equipment effectiveness and removing the redundancies and optimization of costs through adoption of lean work practices.

With WISE program currently in place at Moraiya and OSD facility at Ahmedabad SEZ, the Company is taking its aspirations in the area of Operational Excellence to the next level of enhanced compliance through simplified, digitalized and efficient processes.

During the pandemic, the Company had an opportunity to completely re-look at the entire operational spend of one of the major businesses i.e. formulations business in India and initiated the process of zero-based budgeting through a program ZEST. The initiative is expected to optimize both direct and indirect spend and build internal capability to attain sustained savings over time. Different areas of improvement have been identified and are expected to improve the margins from the next financial year.

Environment, Health and Safety

Responsibility towards environment protection, employee health and safety are an integral part of the Company's goals and business activities. The Company is fully committed to and continuously endeavours to achieve environment, health and safety excellence across all the units. The Company is committed towards protecting the environment in which it operates and ensures the well-being, health and safety of its employees, contractors, visitors, communities and the society at large. The Company has a dedicated Environment, Health and Safety (EHS) cell which engages with all the stakeholders across the functions in creating a unique culture of EHS with an aim to achieve environment, health and safety excellence across all the units.

The year gone by commenced with

the onset of second wave of novel coronavirus (COVID-19) disease which emerged during the second half of March, 2021 and spread rampantly across India with the months of April and May, 2021 being the worst hit months. On account of the proactive approach adopted by the EHS cell on the back of learnings from the previous wave, the Company could minimize the impact of the second wave of pandemic both on the work force as well as on the operations across units.

The Company aims to achieve a 'Zero Harm' target in terms of incidents and injuries to people and damage to the environment. To attain the same, EHS cell undertook following steps during the year.

► Initiated "Injury Prevention Theme" and initiated area/ equipment checks at shop floor:

► Prepared and implemented policies in the areas of work permit system, hazardous waste management, EHS incident reporting, bio-medical waste management, e-waste management and battery waste management.

► Strengthened emergency preparedness infrastructure.

► Worked towards creation of theme based awareness amongst the teams through booklet & leaflets like Static Electricity, Process Safety Fundamentals, Health and Fitness Manuals.

The Company continued to work towards resource conservation in the areas of energy, water and fuel including co-processing activity for energy recovery i.e. calorie containing waste utilisation.

The Company initiated the installation of solar panel to generate solar power

at Sikkim (capacity ~ 750 kWh) and Goa (capacity~ 300 kWh) sites. For all the manufacturing sites located in Ahmedabad, the Company has entered into an agreement for utilization of hybrid power. The Company is implementing various measures to optimize the power consumption and could achieve the power savings to the tune of 11.5 lac kWh by implementing multiple power saving ideas.

Surface water was utilized in manufacturing activities to reduce

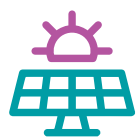
ground water consumption and reduction of around 30% was achieved compared to the previous year.

All the manufacturing units maintained emission and effluent discharge well within the norms prescribed by the regulator and hazardous waste co-processing activity increased by 15% compared to the previous year.

The Company is working towards introduction of alternate sources of energy to reduce the consumption of

fossil fuel. Initiatives are being taken to replace the boiler and DG fuel with bio fuels like briquette and natural gas respectively. In fact, consumption of briquette has gone up by around 50% compared to the previous year.

During the year, the Company's efforts in the EHS space were well endorsed through the ISO surveillance and recertification audits as the Company successfully completed ISO 14001: 2015 and ISO 45001: 2018 audits without any major non-compliance.



~ 300

kWh capacity, proposed solar panel capacity at the Goa facility



~ 750

kWh capacity, proposed solar panel capacity at the Sikkim facility



30%

Reduction in use of ground water consumption in FY 22



11.5

lac kWh, power saving in FY 22



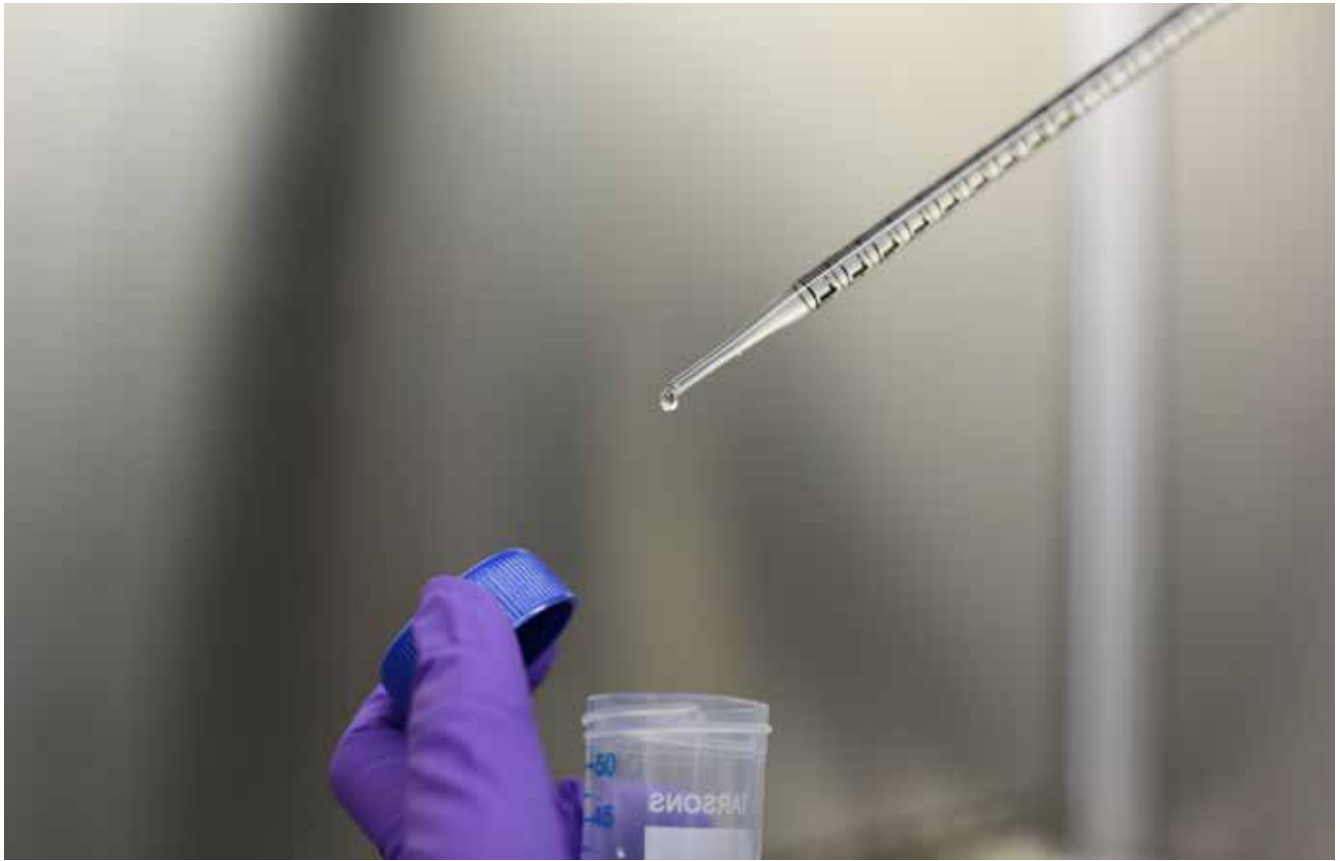
50%

Increase in the consumption of briquettes



15%

Increase in hazardous waste co-processing activity



Risk Identification, Risk Mitigation and Internal Controls



Zydus Lifesciences Limited, a leading Indian Pharmaceutical Company, is a fully integrated, global healthcare provider. The Company's operations cover the entire spectrum of pharmaceutical value chain and are spread across the globe. The variety

of business activities being performed and the geographies being served by the Company pose various risks and challenges, which are explained below. The Company has a well-defined process of risk management which includes identification,

analysis and assessment of various risks, measurement of probable impact of such risks, formulation of risk mitigation strategies and implementation of the same so as to minimize the impact of such risks on the operations of the Company.

Risk related to the outbreak of pandemic like COVID-19

Impact

- ▶ Significant economic and social disruption and loss of lives.
- ▶ Disruption of operations on account of implementation of various measures to contain the pandemic.

Mitigation

- ▶ Implementation of business continuity plan to continue running the operations and to satisfy customer demand with minimal interruption.

Risk related to economic and political environment

Impact

- ▶ Frequent political changes in different geographies resulting in policy uncertainty, possibility of civil unrest and war impacting the economic activities in those regions.
- ▶ Tariff wars among different countries, default by the Government of some countries and adverse currency fluctuations.

Mitigation

- ▶ Continued evaluation of political and economic scenarios across the globe including capping the overall exposure to affected regions.
- ▶ Hedging the position to mitigate the currency risk and securing the receivables through letter of credit or through advance payments.

Risk of competition, price pressure and Government controls on prices

Impact

- ▶ Presence of a large numbers of players in the generic space results in increased competition which in turn, brings the prices down.
- ▶ Governments of some countries, by law, regulate the prices of medicines and periodically revise them downwards to make them affordable to the patients.

Mitigation

- ▶ Expansion of volumes of existing products and launch of new products.
- ▶ Improvement in operational efficiencies to rationalize the cost and thereby minimize the impact of price erosions.

Risk of regulatory actions due to non-compliance of quality standards

Impact

- ▶ Non-compliance with applicable regulations can lead to revocation or suspension of licenses, imposition of fines and criminal sanctions.
- ▶ Violation of regulations tarnishes the Company's reputation and thereby, poses the risk to its operations in future.

Mitigation

- ▶ Continued evaluation of the quality of products, their manufacturing and supply chain processes to ensure that all the regulations are complied with at all times.
- ▶ Building a robust quality culture, simplifying and improving the existing processes and investing the resources towards newer technologies and automation initiatives.
- ▶ Taking proactive measures to improve the system and processes in the light of regulatory actions on other pharmaceutical companies.

Risk of litigation related to quality of products, intellectual properties and other litigations

Impact

- ▶ Non-compliance with regulatory standards can lead to penal action by regulatory authorities and legal actions by the customers.
- ▶ Litigation from innovators if the patents granted to them are infringed.

Mitigation

- ▶ 'Global Product Liability Insurance' as a safeguard against the potential claims regarding quality of products.
- ▶ Implementation of a review mechanism to check for possible infringement of intellectual property rights of patent holders before developing and filing product dossiers for global markets.

Risk of delays in approval of new product registrations in various markets

Impact

▶ Non-receipt/ significant delay in receipt of approvals for new products from the regulatory authorities can severely affect the growth of the business of the companies.

Mitigation

- ▶ Implementation of a mechanism to critically review all new product dossiers before submission to regulatory authorities to ensure quality of such dossiers.
- ▶ To provide speedy response to the queries raised by the regulatory authorities on the product dossiers so as to expedite the approvals.

Risk of international operations including foreign exchange risk

Impact

- ▶ Operations in global markets exposes the Company to the fluctuations in the exchange rates of Indian Rupee against foreign currencies as the portion of revenues are earned in foreign currency.
- ▶ Exchange rate fluctuations also impact the Company's debt obligations denominated in foreign currencies, and the value of investments in subsidiaries, associates and joint ventures.

Mitigation

- ▶ To adopt appropriate hedging strategy to cushion against the impact of foreign exchange rate fluctuations.

Risk of vulnerabilities in digital infrastructure due to cyber attack

Impact

▶ Business disruption and/ or damage to reputation of an organisation on account of disruption to digital infrastructure.

Mitigation

- ▶ To strengthen cybersecurity controls, lower operational and strategic profiles and to take swift actions on emergence of risks across businesses.

Risk Management and Internal Control Systems

Though it is not possible to completely eliminate various risks associated with the businesses of the Company, efforts are made to minimize the impact of such risks on the operations of the Company. The Company has put in place a robust risk management framework through which an enterprise wide risk evaluation and validation process is

carried out regularly and the review of the risk management policy is also carried out at regular intervals by the Risk Management Committee and the Board of Directors so as to ensure that new risks which might arise or the impact of existing risks which might have increased are identified and a proper strategy is put in place for mitigating such risks. The Company has put in place various internal controls for different activities so as to minimize the impact of various risks. Also, as mandated

by the Companies Act, 2013, the Company has implemented an Internal Financial Control (IFC) framework to ensure proper internal controls over financial reporting. Apart from this, a well-defined system of internal audit is in place so as to independently review and strengthen these internal controls. The Audit Committee of the Company regularly reviews the reports of the internal auditors and recommends steps for further improvement of the internal controls.



CSR programme

About

Aligning its mission and corporate social responsibility, the Company continues to create healthier, happier communities globally. Zydus Shrishti, the Company's CSR programme focusses on the areas of health, education and research.

Making a difference

To serve the needs of the patients and bring world-class medical education to the rural interiors of Gujarat, Zydus Foundation has set up the Zydus Medical College and Hospital at Dahod.

First established in 1947 as a sanatorium, the Hospital at Dahod was adopted by the Company under the Brownfield Health Policy in 2016. Since then, the Hospital has been

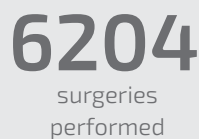
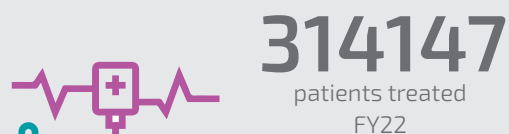
converted into a full-fledged hospital as per MCI norms. From 150 beds, the hospital expanded to 750 beds with over 694 professionals including doctors, nurses and paramedics offering medical care in the year 2020. The Hospital provides free treatment including OPD, hospitalisation, all investigations, surgeries, anaesthesia, oral medicines, injectables and food for patients.



Zydus Hospital, Dahod in the fight against COVID-19

In the ongoing fight against COVID-19, a 300 bed quarantine facility was created at the Zydus Medical Hospital, Dahod. The hospital, located at a vantage point close to the Panchmahal and Chhota Udepur districts in Gujarat, Jhabua districts and Alirajpur district of Madhya Pradesh and Banswara of Rajasthan, Dahod has been serving as a healthcare hub for needy and underprivileged patients. The hospital had treated several patients suffering from COVID-19.

Free of cost medical services





Education

Zydus Medical College, Dahod

Located in a sprawling 20-acre campus, the Zydus Medical College and Hospital Dahod, is a self-financed brownfield medical college project, set up in a Public Private Partnership (PPP) model of Government of Gujarat. The Zydus Medical College is the first Medical College to be set up in Dahod and the first batch of the MBBS programme commenced in August 2018. 750 students are now enrolled for the MBBS programme. The College would also start postgraduate courses in due course of time.



Awareness against disease conditions

During the financial year, over 3000 awareness sessions for patients and healthcare providers (HCPs) were organised about different disease conditions including Hypertension, Liver Care, Diabetes, Gastrointestinal Diseases, Cancers, Inflammatory diseases, Nephrology, Cardiology, COVID-19, Common Cold and Flu.

Disease screening

The company also organised several camps to screen various diseases including Breast Cancer, Non-Alcoholic Fatty Liver Disease (NAFLD), Non-Alcoholic Steatohepatitis (NASH), Osteoporosis, Hepatitis and several other diseases where the company is working towards shaping better patient outcomes.

Supporting global bodies in fight against various diseases

Supporting various global bodies in creating awareness about various diseases like Hepatitis, Non-Alcoholic Fatty Liver Disease (NAFLD), Non-Alcoholic Steatohepatitis (NASH), Cancer and other key therapy areas for the company.

Awareness and prevention against various disease conditions



Supporting global bodies in fight against diseases

- Cancer foundations
- Liver and Hepatitis Awareness
- Gastrointestinal Diseases

Skill Development

Through its dedicated outreach, the company is enhancing employability of the youth through several skill development trainings at the Zydus Skill Development Centre.

Creating employability



1275

hours of Skill building and capability enhancement in FY22 to make youth more employable.

Camps

- Fibroscan camp
- Breast Cancer Screening
- Bone Mineral Density Camp
- Hepatitis therapy camps

Culture and values

- Together we fly, a tribute to COVID-19 warriors

Other initiatives

- Supporting education of underprivileged students



Enriching Human Capital

As a strategic business partner for growth, Zydus HR has been building organisational capabilities to deliver the desired business outcomes and acting as the catalyst for maximising the value in the organisation. At the heart of it all are initiatives which create an eco-system within the organisation that spurs transformation and change. The team has been leading several initiatives for organisational change, process agility, digitization, enhancing employee experience, building organisational capability and strengthening the impact of HR on business outcomes. All this leading to a stronger value proposition for the employees, business partners, stakeholders and customers. The year 2021-2022 was dedicated to organisational transformation and change towards building the Zydus of the future.

As a part of a larger transformation process, HR is focussing on creating an environment conducive for value creation, innovation, collaboration and growth. Creating people assets and investing in capability building have been at the heart of the organization's growth since 1995. Team HR has been looking at both conventional and differentiated approaches to create this culture of learning in the Company. Continuous capability building by skilling, re-skilling and up-skilling has been an ongoing process. Leadership development and strengthening the leadership bench strength is also an area of focus. Today the group has 495 leadership role holders. In a collaborative approach, our HR processes facilitate performance discussions every six months in a constructive way by linking performance dialogue with KPIs and enterprise score card. The Zyscore

and Myscore discussions underline the sustainable business performance and outcome focussed culture at Zydus. The group has been consistently announcing its performance rewards and increments at the end of every financial year making it a unique aspect of its people-centric approach.

Combining the HR strategy with more efficient processes for delivery and execution, Zydus HR is creating a more agile and future ready organisation. The group recruits young and talented management graduates from premier institutes as trainees in the technical and corporate functions. The Zydus Group Resources Programme is successfully creating a future talent pipeline for the organisation.

Here is a profile of the people practices at Zydus.

People at Zydus



23000+
Zydans

18873
Young Zydans <below age of 45 (>82% Zydans are below 45 years of age)



180
Young leaders (DGM and above 45 years of age)

4522
Zydan Frontliners at Shopfloor

7256
Zydan Frontliners at the market place




9.5%
women workforce across Zydus Universe



1110
Women in manufacturing and quality



195
Women in Research and Development

726
Women in corporate and international ops.



164
Women in sales and marketing

People strategy across 5 key dimensions

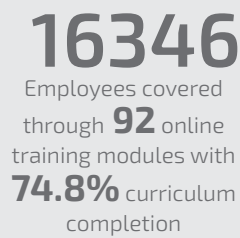


Talent & Leadership

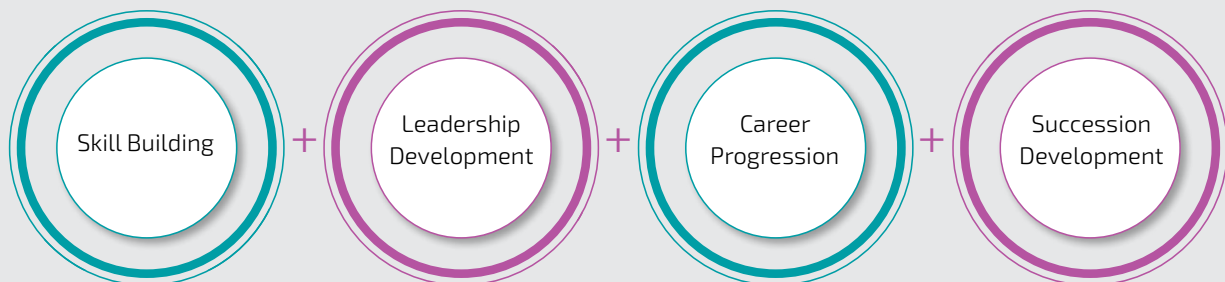


Zydans enrolled in IIMA ADAPT programme

Talent Management and Capability Building at Zydus Group



Focus areas in Learning and Development





106

Managerial and Leadership development programmes

1339

Managers & Leaders trained on Capability Building

90

First Time Managers oriented on People Management through a 6 month intervention

700

People hours of leadership development for women spread over 6 months



4239

Employees covered through Webinars

8.91

Average hours of Training per employee

100

Senior Executives enrolled for 9 month MDP through IIM Ahmedabad



60

Senior Leaders participated in the Assessment & Development programme for career elevation, **63%** promoted

HR Digitization

170+

Process streamlines under HR Shared Services

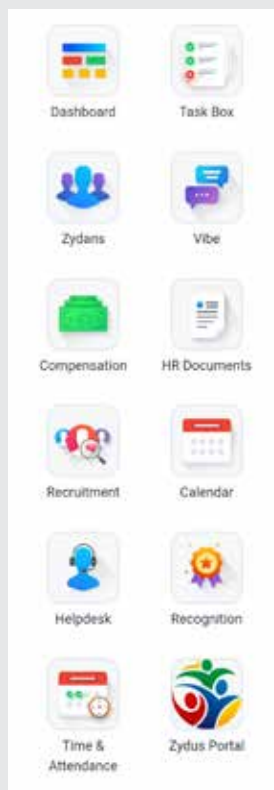
500 +

Process Steps Simplified



67%

Processes automated and digitalized with Zydus Connect 2.0 (Darwin Box & Spectra) and other custom applications



Culture & Employee Support programmes

Culture



Place in Best Place to Work For in Pharma Category as certified by GPTW institute

Rated Top

3 amongst Skill Development, Job Security and Salary & Benefit by employees on Ambition Box

Rated Top

5 amongst Company Culture and Career growth by employees on Ambition Box



Employee Value Proposition

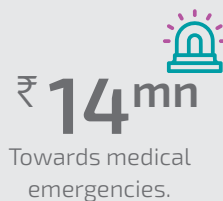
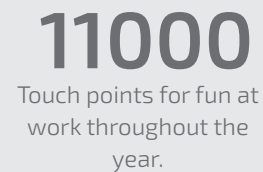
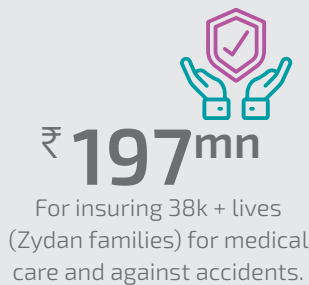
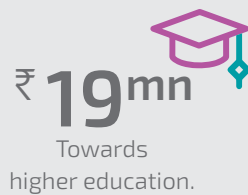
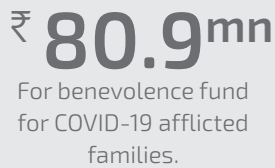
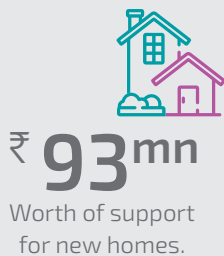


Employees want to stay with Zydus Lifesciences for long and also consider it a Great Place to Work * GPTW survey 2022



Great Place To Work® Institute, India
2021-22 and 2022-23

Employee Support Programmes



Employees were felicitated under various R&R programmes. (Pat-on-the-back, Starz, Quest, Thanks Buddy)

AWARDS AND ACCOLADES

Corporate Awards



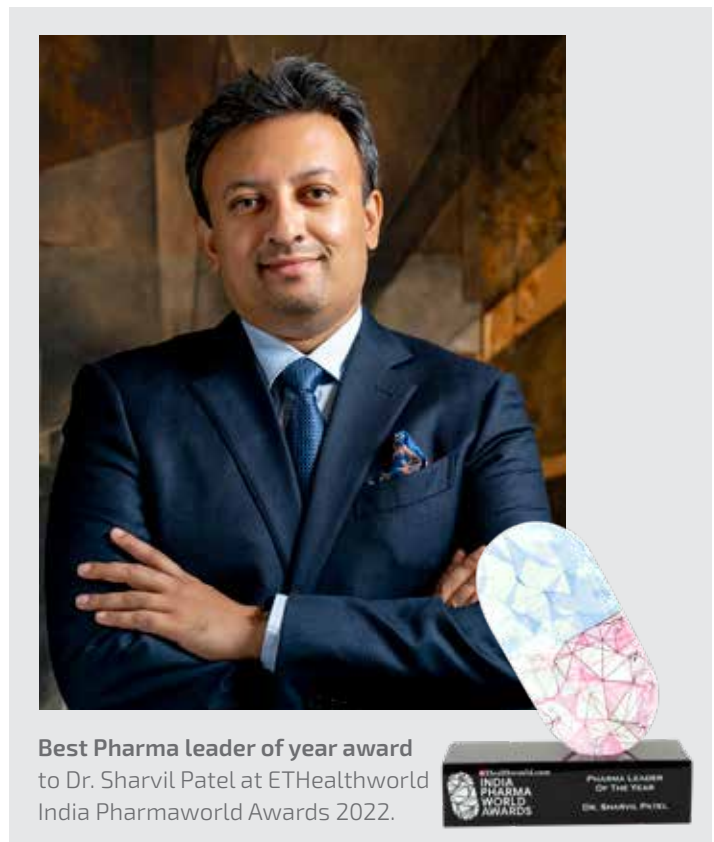
IDMA Aptar innovation of the year award and Corporate citizen award

Chairman of Zydus Lifesciences Limited, Mr. Pankaj R. Patel is seen receiving the award.



Pharma Company Of The Year Award by ETHealthworld India Pharmaworld Awards 2022.

Dr. Sharvil Patel,
Managing Director,
Zydus Lifesciences Limited



Best Pharma leader of year award to Dr. Sharvil Patel at ETHealthworld India Pharmaworld Awards 2022.



CSR Awards



8th Machinist Super Shopfloor Award, 2022 for excellence in CSR (Large Enterprises Category)

7th India Pharma and India Medical Device award by the Government of India, Department of Pharmaceuticals in the India Pharma CSR of the year category.



Excellence In CSR at ETHealthworld India Pharmaworld Awards 2022.



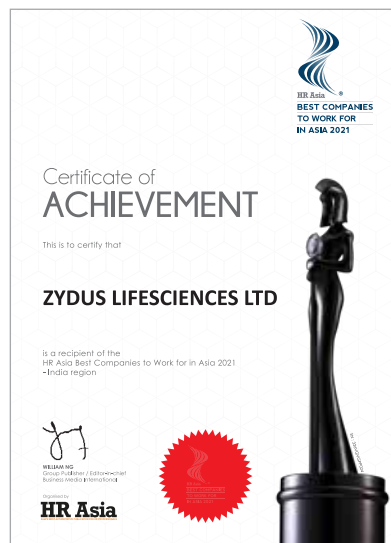
Received gold award in the 8th National CSR Summit and CSR Times Award in the healthcare category.



Secured gold category in 10th Exceed CSR Awards, 2021 under 'Transforming the Healthcare Space' project in the healthcare sector.



HR Awards



HR Asia award in the category of **Best Companies to work in Asia 2021** in the India region.



India's Best workplaces in Biotechnology and Pharmaceuticals by **Great place to work 2022.**



First position the second National HRD Network **PEOPLE FIRST ACE AWARDS 2021** for workforce planning and staffing

BOARD'S REPORT

Your Directors are pleased to present the Twenty Seventh Annual Report and the Audited Financial Statements of Zydus Lifesciences Limited ("the Company") for the Financial Year ended on March 31, 2022.

NAME CHANGE:

Pursuant to the resolutions passed by the Board of Directors ("the Board") and the members and upon receipt of fresh certificate of incorporation from Registrar of Companies, Ahmedabad, Gujarat, name of Cadila Healthcare Limited is changed to Zydus Lifesciences Limited w.e.f. February 24, 2022. The change of name has not affected any of the rights of the Company or of the members / stakeholders of the Company. Further, with the name change, the objects and the line of business remains unaltered.

Memorandum of Association and Articles of Association of the Company were altered consequent upon change in name of the Company.

FINANCIAL HIGHLIGHTS:

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act"), read with rule 7 of The Companies (Accounts) Rules, 2014 ("Accounts Rules").

The standalone and consolidated financial performance of the Company, for the Financial Year ended on March 31, 2022 is summarized below:

₹ in mio.

Particulars	Standalone		Consolidated	
	For the year ended on March 31, 2022	For the year ended on March 31, 2021	For the year ended on March 31, 2022	For the year ended on March 31, 2021
Revenue from Operations and Other Income	81,606	78,693	154,899	144,491
Profit before Interest, Depreciation, Amortisation and Impairment Expenses & Tax (PBIDT)	17,775	22,105	36,781	32,276
Less: Finance Cost	1,349	709	1,270	1,588
Less: Depreciation, Amortisation and Impairment Expenses	4,787	4,511	7,130	6,696
Less/(Add) : Exceptional Items	3,193	1,875	(1,127)	2,051
Profit Before Tax (PBT)	11,639	16,885	28,381	23,992
Less: Tax Expenses	3,060	2,123	5,117	1,936
Profit After Tax (PAT)	8,579	14,762	23,264	22,056
Add: Share of Profit of Joint Ventures (Net of Tax)	-	-	462	474
Profit for the year from continuing operations	8,579	14,762	23,726	22,530

Particulars	Standalone		Consolidated	
	For the year ended on March 31, 2022	For the year ended on March 31, 2021	For the year ended on March 31, 2022	For the year ended on March 31, 2021
Add: Profit after tax from discontinued operations	-	-	22,457	(680)
Profit for the year	8,579	14,762	46,183	21,850
Attributable to:				
Owners of the Parent	8,579	14,762	44,873	21,336
Non-Controlling Interests	-	-	1,310	514
Other Comprehensive Income / (Loss) (Net of Tax)	42	81	(1,045)	731
Total Comprehensive Income	8,621	14,843	45,138	22,581
Attributable to:				
Owners of the Parent	8,621	14,843	43,832	22,059
Non-Controlling Interests	-	-	1,306	522
Opening balance in Retained Earnings	87,969	73,360	113,842	86,124
Amount available for appropriation	96,479	87,969	158,678	111,682
Transferred from Debenture Redemption Reserve	-	-	-	2,160
Dividend	3,585	-	3,720	-
Closing Balance in Retained Earnings	92,894	87,969	154,958	113,842
Earnings Per Share (EPS) from continuing operations (Face Value of shares of ₹ 1/- each)	8.38	14.42	21.90	21.51
Earnings Per Share (EPS) from continuing and discontinued operations (Face Value of shares of ₹ 1/- each)	8.38	14.42	43.83	20.84

The Company proposes to retain an amount of ₹ 92,894 mio. (Rupees Ninety Two Thousand Eight Hundred Ninety Four Million only) in the Statement of Profit and Loss. The Company proposes not to transfer any amount to general reserve on declaration of dividend.

RESULTS OF OPERATIONS:

During the year under review, the consolidated revenue from operations and other income was ₹ 1,54,899 mio. (Rupees One Lakh Fifty Four Thousand Eight Hundred Ninety Nine Million only). The Company has achieved consolidated Profit Before Tax from continuing operations of ₹ 28,381 mio. (Rupees Twenty Eight Thousand Three Hundred Eighty One Million only) and consolidated Profit After Tax (from continuing and discontinued operations) of ₹ 46,183 mio. (Rupees Forty Six Thousand One Hundred Eighty Three Million only). The Company achieved a consolidated total Comprehensive Income of ₹ 45,138 mio. (Rupees Forty Five Thousand One Hundred Thirty Eight Million only). The consolidated EPS for the Financial Year ended on March 31, 2022 was ₹ 43.83 (Rupees Forty Three and paisa Eighty Three).

During the year under review, the standalone revenue from operations and other income was ₹ 81,606 mio. (Rupees Eighty One Thousand Six Hundred Six Million only). The Company has achieved standalone Profit Before Tax of

₹ 11,639 mio. (Rupees Eleven Thousand Six Hundred Thirty Nine Million only) and standalone Profit After Tax of ₹ 8,579 mio. (Rupees Eight Thousand Five Hundred Seventy Nine Million only). The Company achieved a standalone total Comprehensive Income of ₹ 8,621 mio. (Rupees Eight Thousand Six Hundred Twenty One Million only). The standalone EPS for the Financial Year ended on March 31, 2022 was ₹ 8.38 (Rupees Eight and paisa Thirty Eight).

DIVIDEND:

Your Directors have recommended a final dividend of ₹ 2.50/- (i.e. 250%) per equity share of ₹ 1/- each fully paid-up for the Financial Year ended on March 31, 2022. The final dividend, if declared by the members at the ensuing Annual General Meeting ("AGM"), will be paid to those members, whose names stand registered in the Register of Members on Friday, July 29, 2022 i.e. the record date. In respect of shares held in dematerialized mode, it will be paid to the members whose names are furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited, as beneficial owners. The Dividend Payout Ratio for the Financial Year ended on March 31, 2022 is 11.42% of profits from continuing operations.

In terms of regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

("the Listing Regulations") the Company has formulated Dividend Distribution Policy, which is approved by the Board and is uploaded on Company's website and the link of the same is provided in a separate section of Corporate Governance Report.

BUYBACK OF EQUITY SHARES:

The Board at its meeting held on May 20, 2022 passed a resolution to buyback 1,15,38,461 (One Crore Fifteen Lakh Thirty Eight Thousand Four Hundred Sixty One) equity shares of ₹ 1/- (Rupee One only) each fully paid-up at a price of ₹ 650 (Rupees Six Hundred Fifty only) aggregating to ₹ 7500,000,000 (Rupees Seven Thousand Five Hundred Million only), excluding the transaction cost relating to the buyback, from the members of the Company on proportionate basis under the tender offer route in accordance with the provisions of SEBI (Buyback of Securities) Regulations, 2018 and the Act and Rules framed thereunder. Said buyback is within the powers of the Board.

The buyback exercise is proposed to be undertaken by the Company to return a part of the onetime funds received on sale of India centric animal health business undertaking in July 2021, to the members and thereby enhancing overall return to the members.

Buyback exercise will be undertaken as per the statutory provisions.

COMMERCIAL PAPERS:

During the year under review, the Company had redeemed whole of the Commercial Papers of ₹ 6,250 mio. (Rupees Six Thousand Two Hundred Fifty Million only) on its maturity. The corresponding ISIN was extinguished.

SECRETARIAL STANDARDS:

The Company is in compliance with Secretarial Standards on Meetings of Board of Directors and General Meetings issued by the Institute of Company Secretaries of India.

MANAGEMENT DISCUSSION AND ANALYSIS ("MDA"):

MDA for the year under review, as stipulated under the Listing Regulations, is presented in a separate section which forms a part of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS:

In accordance with Ind AS-110 on Consolidation of Financial Statements read with Ind AS-28 on Accounting for Investments in Associates and Joint Ventures and as provided under the provisions of the Act read with Schedule III of the Act and Rules made thereunder and the Listing Regulations, the Audited Consolidated Financial Statements are provided in the Annual Report, which show the financial resources, assets, liabilities, income, profits and other details

of the Company, its associate companies and its subsidiary companies after elimination of minority interest, as a single entity.

SUBSIDIARY COMPANIES:

- i. The Company has 15 (fifteen) Indian subsidiary companies, 26 (twenty six) foreign subsidiary companies and 3 (three) joint venture companies as at March 31, 2022. There has been no material change in the nature of business of the Company, subsidiary companies and joint venture companies. There is 1 (one) partnership firm in the group, in which 2 (two) subsidiary companies of the Company are the partners. More details are provided in the Audited Financial Statements. During the year under review, the Board has reviewed the performance / affairs of the subsidiary companies.
- ii. Zydus Wellness Products Limited, a wholly owned subsidiary of Zydus Wellness Limited, which in turn is a subsidiary of the Company, has incorporated a wholly owned subsidiary in Bangladesh in the name of Zydus Wellness (BD) Pvt Limited, to carry on the business of distribution and marketing of consumer products.
- iii. In line with the philosophy to enhance the share of renewable power source in its operation and to comply with regulatory requirement for being a 'captive user' under Electricity Laws, 2003, the Company has entered into Share Purchase, Subscription and Shareholders' Agreement to acquire up to 11.86% stake on a fully diluted basis in AMP Energy Green Nine Private Limited, for setting up captive Wind Solar Hybrid power project in Gujarat.
- iv. Zydus Discovery DMCC, Dubai, a wholly owned subsidiary of Zydus Worldwide DMCC, Dubai, which in turn is a wholly owned subsidiary of the Company, got merged with Zydus Therapeutics Inc., USA w.e.f. July 1, 2021.
- v. Zydus Healthcare Limited and Zydus Animal Health and Investments Limited, both wholly owned material subsidiary companies redeemed their preference shares amounting to ₹ 10,065 mio. (Rupees Ten Thousand Sixty Five Million only) and ₹ 5,000 mio. (Rupees Five Thousand Million only) respectively.
- vi. As provided in section 136 of the Act, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available free of cost the Audited Financial Statements of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The Financial Statements of the subsidiary companies will also be kept open for electronic inspection. The

Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies.

- vii. As provided under section 129(3) of the Act and Rules made thereunder, a statement containing the salient features of the financial statements of its subsidiaries in the format prescribed under the rules is attached to the financial statements. The policy relating to material subsidiaries, pursuant to the provisions of the Listing Regulations may be accessed on the Company's website at the link provided in a separate section of Corporate Governance Report.

DISPOSAL OF AN UNDERTAKING OF A WHOLLY OWNED SUBSIDIARY:

Pursuant to the special resolution passed by the members at the extra ordinary general meeting held on June 11, 2021 in accordance with the provisions of regulation 24(6) of the Listing Regulations, Zydus Animal Health and Investments Limited ("Z AHL"), a wholly owned subsidiary of the Company disposed of its Animal Healthcare Established Markets Undertaking ("Undertaking") (having animal healthcare business in India and certain other countries) to Zenex Animal Health India Private Limited ("Purchaser"), by way of a slump sale, without values being assigned to the individual assets and liabilities at a lump sum consideration of ₹ 29,210 mio. (Rupees Twenty Nine Thousand Two Hundred Ten Million only) on debt free and cash free basis, subject to certain closing date adjustments specified in the Business Transfer Agreement.

The transaction of sale and disposal of the Undertaking was completed / closed on July 14, 2021.

EXTENSION OF JOINT VENTURE AGREEMENT:

The tenure of joint venture agreement with Bayer (South East Asia) PTE Limited, was extended for a further period of 3 (three) years till May 1, 2024. The Company believes that the said extension would be beneficial considering the prospects of the growth of Bayer Zydus Pharma Private Limited, the joint venture company, over next 3 (three) years.

EXTRA ORDINARY GENERAL MEETINGS:

During the Financial Year ended on March 31, 2022, 2 (two) extra ordinary general meetings of the members of the Company were held as per the below details:

1. June 11, 2021: to approve disposal of the Undertaking of Z AHL and
2. February 18, 2022: to (i) approve change in name of the Company, (ii) approve necessary amendments in the Memorandum of Association and the Articles of Association and (iii) re-appoint Dr. Sharvil P. Patel as the

Managing Director for a further period of 5 (five) years with effect from April 1, 2022.

INSURANCE:

The Company's plants, properties, equipments and stocks are adequately insured against all major risks. The Company has insurance cover for product liability and clinical trials. The Company has also taken Directors' and Officers' Liability Policy to provide coverage against the liabilities arising on them.

PUBLIC DEPOSITS:

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

COST ACCOUNTS AND RECORDS:

The Company has made and maintained the cost accounts and records as specified by the Central Government under section 148(1) of the Act and Rules made thereunder.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

Details of loans, guarantees and investments covered under section 186 of the Act are given in the notes to the financial statements.

FRAUDS:

During the year under review, neither the statutory auditors nor the secretarial auditor have reported to the Audit Committee, under section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

RELATED PARTY TRANSACTIONS:

All contracts / arrangements / transactions entered into by the Company during the Financial Year ended on March 31, 2022 with related parties were in the ordinary course of business and on an arm's length basis and had no conflict with the interest of the Company. All related party transactions are placed before the Audit Committee for review and approval. As provided under section 134(3)(h) of the Act and Rules made thereunder disclosure of particulars of material transactions (i.e. transactions exceeding ₹ 10,000,000,000/- (Rupees Ten Thousand Million only) or 10% (ten percent) of the annual consolidated turnover as per the last Audited Financial Statements) with related parties entered into by the Company in the prescribed format (Form No. AOC-2) is annexed to this report as **Annexure-A**.

Disclosures on related party transactions are set out in Note No. 41 of the financial statements.

The link to view the policy on materiality of related party transactions and dealing with related party transactions is provided in a separate section of Corporate Governance Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

i. Re-appointment of Directors:

Based on the recommendation of Nomination and Remuneration Committee ("NRC") and the Board, the members passed the following 3 (three) resolutions during the Financial Year ended on March 31, 2022-

- August 11, 2021-to re-appoint Mr. Ganesh N. Nayak (DIN-00017481) as the Executive Director of the Company for a further period of 3 (three) years w.e.f. July 12, 2021. His appointment is liable to retire by rotation.
- August 11, 2021-to re-appoint Mr. Apurva S. Diwanji (DIN-00032072) as the Independent Director ("ID") of the Company for the second term of 5 (five) consecutive years w.e.f. May 13, 2021. His appointment is not liable to retire by rotation.
- February 18, 2022-to re-appoint Dr. Sharvil P. Patel (DIN-00131995) as the Managing Director of the Company for a further period of 5 (five) years w.e.f. April 1, 2022. His appointment is liable to retire by rotation.

ii. Retirement by rotation:

In accordance with the provisions of section 152(6) of the Act and in terms of the Articles of Association of the Company, Mr. Pankaj R. Patel (DIN-00131852) and Mr. Mukesh M. Patel (DIN-00053892), Non-Executive Directors will retire by rotation at the ensuing AGM and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

iii. Declaration of independence:

The Company has received declaration of independence as stipulated under sections 149(6) and 149(7) of the Act and regulations 16(1)(b) and 25 of the Listing Regulations from IDs confirming that they are not disqualified for continuing as an ID. There has been no change in the circumstances affecting their status as an ID of the Company.

All the Directors of the Company, who are required to get registered, have registered themselves with the Indian Institute of Corporate Affairs. Further, as per the declarations received, none of the Directors of the Company are required to give online proficiency test

as per the first proviso to rule 6(4) of The Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time.

iv. Profile of Directors seeking re-appointment:

As required under regulation 36(3) of the Listing Regulations, particulars of Directors seeking re-appointment at the ensuing AGM are annexed to the notice convening Twenty Seventh AGM.

v. Key Managerial Personnel:

The following persons are the Key Managerial Personnel ("KMP") as on March 31, 2022:

1. Dr. Sharvil P. Patel, Managing Director,
2. Mr. Ganesh N. Nayak, Executive Director,
3. Mr. Nitin D. Parekh, Chief Financial Officer and
4. Mr. Dhaval N. Soni, Company Secretary.

vi. Board Evaluation:

Pursuant to provisions of the Act and Rules made thereunder and as provided in Schedule IV of the Act and the Listing Regulations, the NRC / Board have carried out an annual evaluation of its own performance, the Directors individually as well as its committees. The manner in which the evaluation was carried out has been provided in the Corporate Governance Report, which forms a part of this Annual Report.

In a separate meeting of IDs, the performance of the non-independent directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the NRC reviewed the performance of individual directors on the basis of criteria fixed by the Board / NRC.

The functioning of the Board, the Committees and performance of individual Directors was found satisfactory.

vii. Nomination and Remuneration Policy:

The Board has, on the recommendation of the NRC, framed a policy on selection and appointment of Directors, Senior Management and their remuneration. The Nomination and Remuneration Policy and link of the same is provided in a separate section of Corporate Governance Report.

viii. Pecuniary relationship:

During the year under review, except those disclosed in the Audited Financial Statements, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company.

CREDIT RATING:

The Company has not obtained any credit rating during the year under review for any debt instruments or fixed deposit programme. During the year under review, CRISIL Limited gave CRISIL AA+ / Stable and CRISIL A1+ (Reaffirmed) rating for long term and short term bank loan facilities respectively.

INSIDER TRADING REGULATIONS:

The Company has adopted the Code for Insider Trading as per the SEBI (Prohibition of Insider Trading) Regulations, 2015. Other details on insider trading regulations are provided in the Corporate Governance Report, which forms a part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of sections 134(3)(c) and 134(5) of the Act and to the best of their knowledge and belief, and according to the information and explanations provided to them, your Directors hereby make the following statements:

- i. that in preparation of the Financial Statements, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any,
- ii. that such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2022 and of the profit of the Company for the year ended on that date,
- iii. that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for prevention and detection of fraud and other irregularities,
- iv. that the annual financial statements have been prepared on a going concern basis,
- v. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively, and
- vi. that the systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

TRANSFER OF SHARES AND DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND ("IEPF"):

During the year under review, in compliance with the provisions of sections 124 and 125 of the Act and Rules made thereunder, the Company has transferred-

- i. 1,49,321 (One Lakh Forty Nine Thousand Three Hundred Twenty One) equity shares of 163 (One Hundred

Sixty Three) members whose dividend has remained unclaimed / unpaid for a consecutive period of 7 (seven) years to IEPF.

- ii. ₹ 4.98 mio. (Rupees Four Million Nine Hundred Eighty Thousand only) held by 2,715 (Two Thousand Seven Hundred Fifteen) members, being the unclaimed dividend, pertaining to the dividend for the Financial Year ended on March 31, 2014 to IEPF, after giving notice to the members to claim their unpaid / unclaimed dividend.

BOARD MEETINGS:

8 (eight) Board meetings were held during the Financial Year ended on March 31, 2022. The Board approved 5 (five) resolutions by circulation, vide circulars dated July 29, 2021, August 2, 2021, December 13, 2021, January 17, 2022 and March 31, 2022. Other information with regard to the Board meetings is given in the Corporate Governance Report, which forms a part of this Annual Report.

AUDIT COMMITTEE:

As provided in section 177(8) of the Act, the information about composition of Audit Committee and other details are given in the Corporate Governance Report, which forms a part of this Annual Report.

RECOMMENDATION OF COMMITTEES:

The Board has accepted the recommendations of all the committees constituted by the Board.

CORPORATE GOVERNANCE:

The Company has complied with the Corporate Governance requirements under the Act and as stipulated under the Listing Regulations. A separate section on detailed report on the Corporate Governance practices followed by the Company under the Listing Regulations, along with a certificate from Manoj Hurkat & Associates, Practicing Company Secretaries, confirming the compliance, forms a part of this Annual Report.

AUDITORS:

i. Statutory Auditors and Audit Report:

Deloitte Haskins & Sells LLP, Chartered Accountants ("Deloitte"), were appointed as the Statutory Auditors of the Company for a period of 5 (five) consecutive years from the conclusion of Twenty Second AGM till the conclusion of Twenty Seventh AGM. Their term shall expire after the ensuing AGM.

The Audit Committee and the Board at their respective meetings, both held on May 20, 2022 recommended the re-appointment of Deloitte as the Statutory Auditors of the Company for a further period of 5 (five) consecutive years from the conclusion of Twenty Seventh AGM till the conclusion of Thirty Second AGM in year 2027,

with an authority to the Audit Committee and the Board to decide the remuneration payable to them. Re-appointment of Deloitte is subject to approval of members at the ensuing AGM. Necessary agenda item, resolution and statutory details are provided in the Notice of AGM.

Deloitte have furnished a declaration confirming their independence as well as their arm's length relationship with the Company and that they have not taken up any prohibited non-audit assignments for the Company.

The Board has duly reviewed the Statutory Auditor's Report and the observations and comments, appearing in the report, are self-explanatory and do not call for any further explanation / clarification by the Board as provided under section 134(3)(f) of the Act.

ii. **Cost Auditors:**

Pursuant to the provisions of section 148(3) of the Act read with The Companies (Cost Records and Audit) Amendment Rules, 2014 and rule 8 of the Accounts Rules, the cost audit records maintained by the Company in respect of Drugs and Pharmaceuticals are required to be audited. The Board had, on the recommendation of the Audit Committee, appointed Dalwadi & Associates, Cost Accountants to audit the cost records of the Company for the Financial Year ending on March 31, 2023 on a remuneration of ₹ 1.32 mio. (Rupees One Million Three Hundred Twenty Thousand only) plus applicable Goods and Services Tax and out of pocket expenses on actuals. As required under the Act and Rules made thereunder, the remuneration payable to the Cost Auditors is required to be placed before the members in a general meeting for ratification. Accordingly, a resolution seeking ratification by members for the remuneration payable to Dalwadi & Associates is included at Item No. 7 of the Notice convening Twenty Seventh AGM.

iii. **Secretarial Auditors and Secretarial Audit Report:**

Pursuant to the provisions of section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed Manoj Hurkat & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the Financial Year ended on March 31, 2022. The Secretarial Audit Report is annexed herewith as **Annexure-B**. The Board has duly reviewed the Secretarial Auditors' Report and the observations and comments, appearing in the report are self-explanatory and do not call for any further explanation / clarification by the Board as provided under section 134(3)(f) of the Act.

Further, as per regulation 24A(1) of the Listing Regulations, the secretarial audit reports of Zydus

Healthcare Limited and Zydus Animal Health and Investments Limited, unlisted material subsidiary companies are annexed herewith as **Annexure-B1** and **Annexure-B2** respectively.

iv. **Annual Secretarial Compliance Report**

In compliance with regulation 24A(2) of the Listing Regulations, Manoj Hurkat & Associates, Practicing Company Secretaries issued Annual Secretarial Compliance Report for the Financial Year ended on March 31, 2022. The Report, presented at the Board meeting held on May 20, 2022, confirmed that the Company has maintained proper records as stipulated under various Rules and Regulations and that, no action has been taken against the Company or its material subsidiaries or promoters / directors by SEBI / BSE / NSE. The Company has submitted the Report to the Stock Exchanges within the prescribed time.

BUSINESS RESPONSIBILITY REPORT ("BRR"):

As per regulation 34(2)(f) of the Listing Regulations, a separate section on BRR forms a part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY ("CSR"):

Pursuant to section 135 of the Act and Rules made thereunder, the Board has constituted a CSR Committee under the Chairmanship of Mr. Pankaj R. Patel. Other members of the Committee are Ms. Dharmishtaben N. Raval and Dr. Sharvil P. Patel. CSR Policy is placed on the Company's website. Other details of the CSR activities, as required under section 135 of the Act read with CSR Rules, are given in the CSR Report at **Annexure-C**.

The Board at its meeting held on May 20, 2022, changed the nomenclature of CSR Committee to CSR & ESG Committee.

BUSINESS RISK MANAGEMENT:

Pursuant to the provisions of section 134(3)(n) of the Act and regulation 21 of the Listing Regulations, the Company has constituted a Risk Management Committee. The details of the Committee and its terms of reference are set out in the Corporate Governance Report, which forms a part of this Annual Report.

A well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process is in place. The objective of the mechanism is to minimize the impact of risks identified and taking advance actions to mitigate them. The mechanism works on the principles of probability of occurrence and impact, if triggered. A detailed exercise is being carried out to identify, evaluate, monitor and manage both business and non-business risks. The Company has framed a Risk Management Policy to identify and assess the key risk areas, monitor and report compliance and effectiveness of the policy and procedure.



Discussion on risks and concerns are covered in the MDA, which forms a part of this Annual Report.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY:

The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to section 134(5)(e) of the Act. For the Financial Year ended on March 31, 2022, the Board is of the opinion that the Company has sound IFC commensurate with the size, scale and complexity of its business operations. The IFC operates effectively and no material weakness exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved internal controls whenever the effect of such gaps would have a material effect on the Company's operations.

The Company has a well-placed, proper and adequate IFC system, which ensures:

- The orderly and efficient conduct of its business,
- 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.

The Board reviews the effectiveness of controls documented as part of IFC framework, and take necessary corrective and preventive actions wherever weaknesses are identified as a result of such reviews. This review covers entity level controls, process level controls, fraud risk controls and Information Technology environment.

Based on this evaluation, no significant events had come to notice during the Financial Year ended on March 31, 2022 that have materially affected, or are reasonably likely to materially affect, our IFC. The management has also come to a conclusion that the IFC and other financial reporting was effective during the Financial Year ended on March 31, 2022 and is adequate considering the business operations of the Company. The Statutory Auditors of the Company has audited the IFC with reference to Financial Reporting and their Audit Report is annexed as an Annexure to the Independent Auditors' Report under Standalone Financial Statements and Consolidated Financial Statements.

MANAGING THE RISKS OF FRAUD, CORRUPTION AND UNETHICAL BUSINESS PRACTICES:

i. Vigil Mechanism / Whistle Blower Policy:

The Company has built a reputation for doing business with honesty and integrity and it has zero tolerance for any type of unethical behaviour or wrongdoing.

The Company has in place a stringent vigil system to report unethical behaviour in order to promote professionalism, fairness, dignity and ethical behaviour in its employees.

In compliance with provisions of section 177(9) of the Act and Rules made thereunder and regulation 22 of the Listing Regulations, the Company has established vigil mechanism and framed Whistle Blower Policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy and SEBI (Prohibition of Insider Trading) Regulations, 2015. Whistle Blower Policy is uploaded on Company's website and the link of the same is provided in a separate section of Corporate Governance Report.

ii. Zydus Business Conduct Policy:

The Company has framed "Zydus Business Conduct Policy" and is monitored by the President-Group Human Resources. Every employee is required to review and sign the policy at the time of joining and an undertaking shall be given for adherence to the Policy. The objective of the Policy is to conduct the business in an honest, transparent and ethical manner. The policy provides for anti-bribery and avoidance of other corruption practices by the employees of the Company.

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The Company has constituted an Internal Complaints Committee as required under the said Act.

The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment.

During the Financial Year ended on March 31, 2022, 2 (two) complaints were received and both of them were resolved. No complaint was pending to be resolved as at March 31, 2022.

ANNUAL RETURN:

As per the provisions of section 92(3) read with section 134(3)(a) of the Act, Annual Return for the Financial Year ended on March 31, 2022, in prescribed Form No. MGT-7 is available on the website of the Company at <https://www.zyduslife.com/public/pdf/financial/annualreturn2021-2022/Zydus-Lifesciences-Limited.pdf>.

PARTICULARS OF EMPLOYEES:

The information required under section 197(12) of the Act read with rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure-D**.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under section 134(3)(m) of the Act read with rule 8(3) of the Accounts Rules, is provided in **Annexure-E** and forms a part of this Annual Report.

GENERAL DISCLOSURES:

Your Directors state that the Company has made disclosures in this report for the items prescribed in section 134(3) of the Act and rule 8 of the Accounts Rules to the extent the transactions took place on those items during the year under review.

Apart from what is mentioned in this report, there are no material changes and commitments affecting the financial

position of the Company between the end of the financial year to which the financial statements relate and the date of this report.

ACKNOWLEDGMENT:

Your Directors place on record their sincere appreciation for the continued co-operation and support extended to the Company by various Banks. Your Directors also thank the Medical Profession, the Trade and Consumers for their patronage to the Company's products. Your Directors also place on record sincere appreciation of the continued hard work put in by the employees at all levels, amidst the challenges due to pandemic. The Directors also thank the Company's customers, vendors, investors, business associates, Stock Exchanges, Government of India, State Government and various departments and agencies for their support and co-operation.

Your Directors mourn the loss of lives due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked his life and safety to fight this pandemic.

Your Directors appreciate and value the contribution made by every member of the Zydus group.

On behalf of the Board of Directors

Place : Ahmedabad
Date : May 20, 2022

Pankaj R. Patel
Chairman
DIN: 00131852

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and rule 8(2) of The Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Act, including certain arm's length transactions under third proviso thereto.

A. Details of contracts or arrangements or transactions not on an arm's length basis:

There were no contracts or arrangements or transactions entered into with related parties during the year under review, which were not on an arm's length basis.

B. Details of material contracts or arrangements or transactions on an arm's length basis:

Sr. No.	Name of the Related Party and Nature of Relationship	Nature of contract / arrangement or transaction	Duration of contract / arrangement or transaction	Salient terms of the contract / arrangement or transaction, including value, if any.	Dates of approval by the Board of Directors	Amount paid as advance, if any.
1.	Zydus Pharmaceuticals USA Inc., USA (a wholly owned subsidiary company)	Supply and Distribution Agreement	On-going	Pricing of supply of products based on relevant guidelines of transfer pricing	May 12, 2015	Nil

On behalf of the Board of Directors

Place : Ahmedabad
Date : May 20, 2022

Pankaj R. Patel
Chairman
DIN: 00131852

Secretarial Audit Report of Zydus Lifesciences Limited (Form MR-3)

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To
The Members

ZYDUS LIFESCIENCES LIMITED

(Earlier known as CADILA HEALTHCARE LIMITED)

(CIN: L24230GJ1995PLC025878)

'Zydus Corporate Park', Scheme No. 63,
Survey No. 536, Khoraj (Gandhinagar),
Near Vaishnodevi Circle, Sarkhej - Gandhinagar Highway,
Ahmedabad-382481

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ZYDUS LIFESCIENCES LIMITED** (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- I. The Companies Act, 2013 ("the Act") and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India

Act, 1992 ("**SEBI Act**") to the extent applicable to the Company:

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (upto August 12, 2021); The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equities) Regulations, 2021 (w.e.f. August 13, 2021);
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (upto August 15, 2021); The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (w.e.f. August 16, 2021);
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (upto June 9, 2021); The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (w.e.f. June 10, 2021); and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

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

- I. Secretarial Standards issued by The Institute of Company Secretaries of India.
- II. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

We hereby report that during the period under review, the Company has complied with the applicable

provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

- VI. We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the provisions of The Drugs and Cosmetics Act, 1940 and Rules made thereunder, as is specifically applicable to the Company.

We further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all Directors to schedule the Board Meetings at least seven days in advance. Agenda and detailed notes on agenda were also sent to all Directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the following events /actions have taken place which have major bearing

on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

1. Pursuant to the special resolution passed by the members of the Company at the Extra Ordinary General Meeting held on June 11, 2021 under Regulation 24(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Zydus Animal Health and Investments Limited ("**ZAHL**"), a wholly owned material subsidiary of the Company has completed the slump sale of its Animal Healthcare Established Markets Undertaking ("**Undertaking**") (having animal healthcare business in India and certain other countries) to Zenex Animal Health India Private Limited (formerly known as Nutrizvit Animal Health India Private Limited) ("**Purchaser**") for a lump sum consideration of ₹ 29,210 Million (subject to certain closing date adjustments as specified in the Business Transfer Agreement) without values being assigned to the individual assets and liabilities on debt free and cash free basis,.
2. The name of the Company was changed from Cadila Healthcare Limited to Zydus Lifesciences Limited with effect from February 24, 2022 by virtue of Certificate of Incorporation pursuant to change of name issued by the ROC, Gujarat.

For, **MANOJ HURKAT & ASSOCIATES**
Practicing Company Secretaries
FRN: P2011GJ025800
PR Certificate No.: 600/2019

MANOJ R HURKAT

Partner

Place: Ahmedabad
Date : May 20, 2022

FCS No.: 4287, C P No.: 2574
UDIN: F004287D000319866

Note: This Report is to be read with our letter of even date which is annexed as **Annexure A** and form an integral part of this Report.

ANNEXURE-A

To
The Members
ZYDUS LIFESCIENCES LIMITED
(Earlier known as CADILA HEALTHCARE LIMITED)
(CIN: L24230GJ1995PLC025878)
'Zydus Corporate Park', Scheme No. 63,
Survey No. 536, Khoraj (Gandhinagar),
Near Vaishnodevi Circle, Sarkhej - Gandhinagar Highway,
Ahmedabad-382481

Our report of even date is to be read along with this letter:

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts and cost records of the Company.
4. We have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, secretarial records and other factual position which cannot be otherwise verified etc. wherever required or necessary.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of the same on test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The Secretarial audit was conducted in accordance with Auditing Standards issued by the Institute of Company Secretaries of India and in a manner which evolved such examinations and verifications as considered necessary and adequate for the said purpose.

For, **MANOJ HURKAT & ASSOCIATES**
Practicing Company Secretaries
FRN: P2011GJ025800
PR Certificate No.: 600/2019

MANOJ R HURKAT

Partner

FCS No.: 4287, C P No.: 2574
UDIN: F004287D000319866

Place: Ahmedabad
Date : May 20, 2022

Secretarial Audit Report of Zydus Healthcare Limited (Form MR-3)

For the Financial Year ended on March 31, 2022

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
ZYDUS HEALTHCARE LIMITED
"Zydus Corporate Park, Scheme No. 63,
Survey No. 536, Khoraj (Gandhinagar),
Nr. Vaishnodevi Circle, Sarkhej-Gandhinagar Highway,
Ahmedabad-382481

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Zydus Healthcare Limited** (hereinafter called the Company). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- i) The Companies Act, 2013 (Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
 - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

However, it is reported that there were no instances requiring compliance with the provisions of the laws indicated at para (v) mentioned hereinabove during the period under review as said regulations were not applicable to the company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

However, it was noted that since securities of the company are not listed on any recognized stock exchange, clauses of listing agreement and rules of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 were not applicable except the regulations applicable to material subsidiary of a listed entity.

VI. We further report that having regard to the compliance management system prevailing in the Company in relation to other applicable sector specific laws, we have relied on the confirmations of compliances placed before the board which were made available to us for our verification and were considered as assurance for existence of proper compliance management system.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, mentioned hereinabove and there is adequate compliance management system for the purpose of other applicable laws mentioned hereinabove. We have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under laws and regulations applicable to the Company mentioned hereinabove.

We report that the Board of Directors of the Company is duly constituted with proper balance of the Executive Directors and the Non-executive Directors (Independent and Non-independent). During the year under review, Mr. Anil Matai ceased to be the Director as well as the Managing Director on attaining the age of superannuation. Mr. Harish R. Sadana has been appointed as the Managing Director of the Company for a period of five years w.e.f. July 1, 2021.

Place : Ahmedabad
Date : May 18, 2022

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

Adequate notices are given to all the Directors to schedule the Board and the other Committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting Members' views are captured and recorded as part of the minutes, wherever required.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were following events / actions having a major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above more specifically related to the:

- i) Redemption of 1006,50,000, 8%, Optionally Convertible Non-Cumulative Redeemable Preference Shares of ₹ 100/- each;
- ii) Investment of ₹ 12,00,00,000/- in the current capital of Recon Pharmaceuticals and Investments, a Partnership Firm.

Signature: Sd/-
Name of practicing CS: Ashish C. Doshi, Partner
SPANJ & ASSOCIATES
Company Secretaries
ACS/FCS No.: F3544
C P No: 2356
PR No.: 702/2020
UDIN: F003544D000338318

Annexure I

To,
The Members

ZYDUS HEALTHCARE LIMITED

"Zydus Corporate Park, Scheme No. 63,
Survey No. 536, Khoraj (Gandhinagar),
Nr. Vaishnodevi Circle, Sarkhej-Gandhinagar Highway,
Ahmedabad-382481

Dear Sir,

Sub.: Secretarial Audit Report for the Financial Year ended on March 31, 2022

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. The verification of the correctness and appropriateness of financial records and Books of accounts of the company was falling within the purview of statutory auditors and therefore, we have relied on the audit carried out by them.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Signature: Sd/-
Name of practicing CS: Ashish C. Doshi, Partner
SPANJ & ASSOCIATES
Company Secretaries
ACS/FCS No.: F3544
C P No: 2356
PR No.: 702/2020
UDIN: F003544D000338318

Place : Ahmedabad
Date : May 18, 2022

Secretarial Audit Report of Zydus Animal Health and Investments Limited (Form MR-3)

For the Financial Year ended on 31/03/2022

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

To,
The Members,
ZYDUS ANIMAL HEALTH AND INVESTMENTS LIMITED
(formerly known as Violio Pharmaceuticals Limited and then Violio Pharmaceuticals and Investments Limited)
CIN: U24236GJ2018PLC102269
Zydus Corporate Park, Scheme No. 63,
Survey No. 536, Khoraj (Gandhinagar),
Nr. Vaishnodevi Circle, Ahmedabad 382481

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s ZYDUS ANIMAL HEALTH AND INVESTMENTS LIMITED (hereinafter called 'the Company') (formerly known as Violio Pharmaceuticals Limited and then Violio Pharmaceuticals and Investments Limited). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and based on the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit through electronically by way of scan copy or soft copy through mail or otherwise and considering the relaxations granted by the Ministry of Corporate Affairs warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, generally complied with the material statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined through electronically by way of scan copy or soft copy through mail or otherwise, the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under as applicable;
- (ii) Secretarial Standards (SS-1 & SS-2) issued by the Institute of Company Secretaries of India;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under.
- (v) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

During the period under review, the Company has generally complied with all the material aspects of the applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Further being a Pharmaceutical Company (Animal Healthcare), following are some of the Acts applicable to the Company, for which examination of the relevant documents and records, on test check basis, have been carried out under:

1. Pharmacy Act, 1948
2. Drug Policy 2002
3. Gujarat Drugs (Control) Act, 1959

During the Period under review, provisions of the following regulation were not applicable to the Company:

- i. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;
- ii. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the



Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2016; and
 - (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- iii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as the Company is Unlisted Company. However, the Company is defined as material subsidiary company under Regulation 16(1)(c) of SEBI (LODR) Regulations, 2015.

I further report that –

The Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

I further report that –

Based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in my opinion, adequate systems and processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines and general laws like various labour laws, competition law, environmental laws, etc.

I further report that -

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were

sent generally in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the year, all decision in the Board Meetings were carried unanimously.

I further report that during the audit period there were few specific events / actions in pursuance of the above referred laws, rules, regulations, standards, etc. having a major bearing on the Company's affairs, details of which are as stated below:

- I. Dr. Arun Atrey and Mr. Vishal Shah ceased to be a Managing Director and Chief Financial Officer (CFO), respectively, of the Company from the close of business hours of July 14, 2021. Same way, Mr. Harish Sadana ceased to be a Director of the Company w.e.f. October 4, 2021.
- II. The Company has adopted the new set of Articles of Association of the Company, as approved by the members in AGM held on August 10, 2021.
- III. The Company has appointed Mr. Pramod Lokhande as an additional Whole time Director and Dr. Kunal Chitnis as an Additional Director of the Company in their board meeting dated October 4, 2021.
- IV. The Company has appointed Mr. Hiren Mistry as a Chief Financial Officer and Key Managerial Personnel [KMP] of the Company w.e.f. October 4, 2021.
- V. The Company has redeemed 50,00,00,000, 8% Optionally Convertible Non-cumulative Redeemable Preference Shares (OCRPS) of ₹10/- each aggregating to ₹ 500 crores, from total OCRPS of ₹ 2273.35 crores, as approved by the board members in their meeting held on December 15, 2021.
- VI. The Company has sold/transferred its entire Animal Healthcare Established Market Undertaking, after obtaining members consent in their meeting held on May 10, 2021.

Signature : Sd/-

Name of Company Secretary in practice: Tapan Shah

FCS No.: 4476

C P No.: 2839

UDIN: F004476D000303830

Place : Ahmedabad

Date : May 14, 2022

Note : This Report is to be read with my letter of above date which is annexed as **Annexure A** and forms an integral part of this report.

Due to CoVID-19 pandemic, I have conducted the Secretarial audit by examining the secretarial records including Minutes, Documents, Registers and other records, etc., some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to me are the true and correct.

Annexure A

To,
The Members,
ZYDUS ANIMAL HEALTH AND INVESTMENTS LIMITED
(formerly known as Violio Pharmaceuticals Limited and then
Violio Pharmaceuticals and Investments Limited)
CIN: U24236GJ2018PLC102269
Zydus Corporate Park, Scheme No. 63,
Survey No. 536, Khoraj (Gandhinagar),
Nr. Vaishnodevi Circle, Ahmedabad 382481

My report of the above date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done based on the records and documents provided, on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Ahmedabad
Date : May 14, 2022

Signature : Sd/-
Name of Company Secretary in practice: Tapan Shah
FCS No.: 4476
C P No.: 2839
UDIN: F004476D000303830

Annual Report on Corporate Social Responsibility (“CSR”) activities

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

The Company has framed a CSR Policy in compliance with the provisions of section 135(4)(a) of the Act and Rules made thereunder, as amended from time to time and for the time being in force. The Company has outlined the following thrust areas in the CSR Policy:

- i) Healthcare / Medical Facility
- ii) Skill Development / Empowerment
- iii) Community Development
- iv) Education / Knowledge Enhancement
- v) Infrastructure Development
- vi) Environment Protection
- vii) Others as may be decided

The Board, on the recommendation of CSR Committee, approved the CSR spending, apart from others, for financing / re-financing of maintenance of infrastructure facilities of hospital (healthcare) and medical college (education) by Zydus Foundation (“ZF”), a section 8 and a wholly owned subsidiary company, which runs hospital and medical college at Dahod, Gujarat. ZF provides hospital services to the patients and education related facilities to the medical students. The objective of ZF includes, amongst others, to help the marginalized and economically weaker sections people of the society.

2. COMPOSITION OF CSR COMMITTEE:

Sr. No.	Name of the Director	Designation / Nature of Directorship	Number of CSR Committee meetings	
			Held	Attended
1.	Mr. Pankaj R. Patel	Chairman of the CSR Committee Non-Executive Chairman		3
2.	Dr. Sharvil P. Patel	Member of the CSR Committee Managing Director	3	3
3.	Ms. Dharmishtaben N. Raval	Member of the CSR Committee Independent Director		3

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

Composition of CSR Committee:

<https://www.zyduslife.com/compcommittee#corporate>

CSR Policy:

https://www.zyduslife.com/public/pdf/Revised_CSR_Policy_05_02_2021.pdf

CSR Projects approved by the Board:

https://www.zyduslife.com/public/pdf/financial/CSR_Projects.pdf

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

EY an independent agency has carried out the Impact Assessment of the CSR Projects. Said report is attached as Annexure-C1.

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

Sr. No.	Particulars	Amount (₹ in mio.)
1	Excess amount contributed towards CSR in Financial Year ended on March 31, 2021	531.00 *
2	Amount set-off during Financial Year ended on March 31, 2022	100.00 **
3	Amount to be set-off during Financial Year ending on March 31, 2023	180.00 ***
4	Amount to be set-off during Financial Year ending on March 31, 2024 (1-2-3)	251.00

* The Board at its meeting held on May 27, 2021 passed a resolution to set-off the said amount in 3 (three) financial years i.e. 2021-2022, 2022-2023 and 2023-2024.

** The Board at its meeting held on August 11, 2021 passed a resolution to set-off an amount of ₹ 100.00 mio. (Rupees One Hundred Million only) during the Financial Year ended on March 31, 2022.

*** The Board at its meeting held on May 20, 2022 passed a resolution to set-off an amount of ₹ 180.00 mio. (Rupees One Hundred Eighty Million only) during the Financial Year ending on March 31, 2023.

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

₹ 13,642 mio. (Rupees Thirteen Thousand Six Hundred Forty Two Million only)

7. (a) Two percent of average net profit of the Company as per section 135(5)-

₹ 269.23 mio. (rounded off to ₹ 270.00 mio.) (Rupees Two Hundred Seventy Million only)

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

(c) Amount required to be set off for the financial year, if any-₹ 100.00 mio. (Rupees One Hundred Million only)

(d) Total CSR obligation for the financial year (7a+7b-7c)- ₹ 170.00 mio. (Rupees One Hundred Seventy Million only)

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

Total Amount Spent for the Financial Year (₹ in mio.)	Amount unspent					
	Total Amount transferred to Unspent CSR Account as per section 135(6)			Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the fund	Amount	Date of transfer	
170.00	N.A.					

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

Sr. No.	Name of the Project	Items from the list of activities in Schedule VII of the Act	Local Area (Yes / No)	Location of the Project		Project Duration	Amount allocated for the project
				State	District		
N.A.							

Sr. No.	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per section 135(6)	Mode of implementation-Direct (Yes / No)	Mode of implementation-through implementing agency	
				Name	CSR Registration number
N.A.					

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

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes / No)	Location of the Project (State / District)	Amount spent for the Project (₹ in mio.)	Mode of implementation Direct (Yes / No)	Mode of implementation- Through implementing agency (Yes / No) Name	CSR Registration Number
1.	Financing and re-financing of the construction and setting-up of hospital and medical college	Healthcare and Education	Yes	Gujarat / Dahod	170.00	No	Zydus Foundation	CSR00000974

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: ₹ 1.00 mio. (Rupees One Million only)

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 171.00 mio. (Rupees One Hundred Seventy One Million only) (which includes ₹ 1.00 mio. (Rupees One Million only) towards Impact Assessment)

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

Sr. No.	Particulars	Amount (₹ in mio.)
i.	Two percent of average net profit of the Company as per section 135(5)	270.00 *
ii.	Total amount spent for the Financial Year	170.00 **
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	N.A.
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]***	N.A.

* Actual Amount is ₹ 269.23 mio., however, the same is rounded to ₹ 270.00 mio. (Rupees Two Hundred Seventy Million only).

** Pursuant to the resolution passed by the Board at their meeting on August 11, 2021, an amount of ₹ 100.00 mio. (Rupees One Hundred Million only) was set-off during the Financial Year ended on March 31, 2022, out of the total excess amount of ₹ 531.00 mio. (Rupees Five Hundred Thirty One Million only) contributed during the Financial Year ended on March 31, 2021. Out of the balance amount of ₹ 431.00 mio. (Rupees Four Hundred Thirty One Million only) it is proposed to set off an amount of ₹ 180.00 mio. (Rupees One Hundred Eighty Million only) for the Financial Year ending on March 31, 2023.

*** For more details, please refer Point No. 5 above.

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining unspent in succeeding financial years
				Name of the Fund	Amount	Date of Transfer	
N.A.							

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

Sr. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project Duration	Total amount allocated for the project	Amount spent on the project in the reporting financial year	Cumulative amount spent at the end of reporting financial year	Status of the project completed / ongoing
N.A.								

10. **IN CASE OF CREATION OR ACQUISITION OF CAPITAL ASSET, FURNISH THE DETAILS RELATING TO THE ASSET SO CREATED OR ACQUIRED THROUGH CSR SPENT IN THE FINANCIAL YEAR (ASSET-WISE DETAILS):** Not Applicable
- (a) Date of creation or acquisition of the capital asset(s).
 - (b) Amount of CSR spent for creation or acquisition of capital asset.
 - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
 - (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
11. **SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5):** Not Applicable

Place : Ahmedabad
Date : May 20, 2022

Pankaj R. Patel
Chairman of the Board and CSR Committee
DIN: 00131852

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995

CSR Impact Assessment Report*

Overview of CSR Implementation Strategy of Zydus Lifesciences

For CSR implementation, the Company has established a wholly owned subsidiary under Section eight Companies Act 2013. The Zydus Medical College and Hospital in Dahod was established with the purpose of serving and catering to the needs of patients at an affordable cost and providing the

state of art medical education.

The ZMCH strives to achieve its vision to establish a world-class institute of medical education and to train, in a spirit of collegiality with a standard of excellence, outstanding clinicians and leaders in medicine and science. The Zydus Hospital and Medical College derives its ethical framework from following credos:

Patient Centric

We put the needs of the patient first in all our actions

Humble

We remain modest and humble in our achievements. Our work speaks for itself.

Committed to Deliver

We give our best in all that we undertake and are committed to deliver on time

Value Driven

We seek value and maximize our gains by using our resources judiciously

CSR Objectives

The company's vision of social responsibility aligns with themes of good health, happiness, joy, growth, togetherness, discovery, learning, exploration, development, transformation, and ambitions. The group's CSR initiative, Zydus Srishti, strives to create value and impact on a variety of aspects, including health (Swaasthya), education (Shiksha), research (Shodh), and outreach (Saath). The organisation has developed meaningful relationships with internal and external stakeholders.

The Company has developed a CSR Policy in accordance with section 135(4)(a) of the Company's Act and CSR Rules,

as amended from time to time. The CSR Policy of the Company outlines the following thrust areas:

- Healthcare / Medical Facility
- Skill Development / Empowerment
- Community Development
- Education / Knowledge Enhancement
- Infrastructure Development
- Environment Protection
- Others as may be decided



Overview of Zydus Hospital and Medical College, Dahod

Zydus Medical College and Hospital (hereinafter referred to as 'ZMCH' or 'hospital' or 'college') is a self-financed brownfield medical college and hospital established in 2017 in Dahod district of Gujarat to serve the tribal and underserved population of eastern Gujarat, and nearby districts of Madhya Pradesh and Rajasthan. It was developed as a part of the Public Private Partnership (PPP) initiative under the National Health Policy, 2016 of Gujarat. The campus of ZMCH comprises a medical college spread across 80,937 sq.m. and hospital spread across 58,033 sq.m. The ZMCH is the first medical college in the Dahod district.

Prior to ZMCH, the district had a General Hospital with limited infrastructure which was established as a sanatorium in the year 1947. The hospital lacked services such as a blood bank, fully equipped pathology lab etc. Zydus Foundation adopted the General Hospital and upgraded it as per the standards prescribed by the Medical Council of India (MCI). Currently, the hospital has 750 beds and over 400 professionals who provide medical services to people from five backward districts of Gujarat, Madhya Pradesh, and Rajasthan. The hospital provides medical treatment to its patients at free of cost. Till date, the hospital has performed 20,000 surgeries, treated over nine lac patients, and conducted over forty-five lac lab tests.

The hospital provides medical services in the following disciplines:

- General Medicine
- General and Laparoscopic Surgery
- Obstetrics and Gynaecology
- Paediatrics and Neonatology
- Ophthalmology
- Pulmonology
- ENT
- Orthopaedics
- Dermatology
- Dental Surgery
- Anaesthesiology
- Emergency and Trauma
- Psychiatry

The new building is equipped with five modular operation theatres (OTs) and ICUs.

The Hospital also has dialysis centre. Additionally, a Thalassaemia Centre has been established in collaboration with the Wishing Factory NGO supported by IRCTC. The number of Sickle Cell and Haemophilia beds have been increased significantly. During the COVID-19 Pandemic, the hospital allocated 306 beds for COVID quarantine facility, of which 100 were ICU beds and 206 were oxygen beds.

Research framework

For assessment of the impact of CSR activities pertaining to support of Zydus Medical College and Hospital through financing of Zydus Foundation, the OECD DAC Evaluation Criteria were used. This criterion provides a normative

framework to determine the impact of any development intervention. The framework has defined six (6) evaluation criteria, i.e., Relevance, Coherence, Effectiveness, Efficiency, Impact, and Sustainability.



Results of CSR Impact Assessment

1.1 Relevance of the project

Dahod is one of the most backward districts with a large tribal population. As per Rural Health Statistics 2015, Dahod had one (1) district hospital, one (1) sub-divisional hospital, thirteen (13) Community Health Centres and eighty-five (85) Primary Health Centres. As per the Audit Report (General and Social Sector) for the FY 2014-15, the bed strength of

District Hospital Dahod was 150 as against required bed strength of 440 as per Indian Public Health Standards (IPHS). Furthermore, as per the audit serious inadequacies in the infrastructure of the District Hospital Dahod were observed hampering the service delivery. Select healthcare indicators of the Dahod District are highlighted in the table below.

Table 1: Healthcare Indicators of Dahod

S. No.	Healthcare Indicator	Dahod	National Average
1	Number of Doctors per 1,000 population	0.07	1.34
2	Full Immunization Coverage (12-23 months)	33%	62%
3	Percentage of Stunted Children	44%	38%
4	Percentage of Underweight Children	51%	36%

Inadequate healthcare infrastructure and poor healthcare indicators in the targeted geography/area necessitates healthcare intervention. The establishment of a brownfield tertiary care hospital and medical college is highly relevant to the needs of the local population.

1.2 1.2 Effectiveness

Effective Alignment with Sustainable Development Goals

The Sustainable Development Goals (SDGs) or Global Goals were adopted by the United Nations General Assembly in the year 2015. These are a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all. The third SDG intends

to achieve 'Good Health and Wellbeing for All'. Zydus Foundation's ongoing initiative of running Zydus Hospital is effectively aligned with the indicators described under SDG-2 by the UN. It showcases commitment of the foundation towards contributing to global efforts to achieve health and wellbeing for all. The following table illustrates how Zydus Foundation's efforts are aligned with SDG-3:

Table 2: SDG Alignment

SDG Target	Relevant Services Provided by the Zydus Hospital
Reduction in Maternal Mortality	<ul style="list-style-type: none"> ■ Well established obstetrics and gynaecology department provides appropriate ante-natal, peri-natal, and post-natal services ■ More than 18,000 deliveries have been conducted at the hospital in last three years
Elimination of Preventable Child Deaths	<ul style="list-style-type: none"> ■ The Zydus Hospital has a well-equipped paediatrics department ■ 20-bedded level-III Neonatal Intensive Care Unit and 5-bedded Paediatric Intensive Care Unit provides a state-of-art critical care services.
Fight Communicable Diseases	<ul style="list-style-type: none"> ■ The hospital is well-equipped with Central Sterile Supply Department (CSSD) which helps in eliminating hospital acquired infections. ■ The Hospital has a dedicated department of Infectious Diseases ■ Departments of General Medicine, Pulmonology, and other relevant departments provides services to tackle infective diseases.
Reduce mortality from non-communicable diseases	<ul style="list-style-type: none"> ■ The hospital effectively provides treatment of NCDs such as diabetes, hypertension, ischaemic heart disease, stroke, etc. ■ Free supply of drugs and consumables ensures compliance with the treatment which reduces probability of long-term complications.
Prevent and treat substance abuse	<ul style="list-style-type: none"> ■ The department of psychiatry runs a dedicated clinic on de-addiction to deal with the challenge of substance abuse. ■ IPD facilities to manage poly substance dependence are also provide by the hospital.
Reduce Road Injuries and Deaths	<ul style="list-style-type: none"> ■ The casualty department is well-equipped with multi-para monitors, triaging system, and emergency surgical interventions. to manage cases of accidents and trauma.
Achieve access to sexual and reproductive care, family planning, and education	<ul style="list-style-type: none"> ■ The department of Obstetrics and gynecology runs specialty clinics on infertility treatment and adolescent health. ■ Family planning services provided by the hospital includes IUCD insertion, tubal ligation, and provision of Oral contraceptive tablets.
Achieve universal health coverage	<ul style="list-style-type: none"> ■ The hospital provides all medical services free of cost to all the beneficiaries without any discrimination. In this way, it is contributing towards the provision of universal health coverage.

Effective Alignment with National Health Policy 2017 and National Health Programmes

The National Health Policy 2017 emphasizes strengthening health systems, building health infrastructure in accordance with Indian Public Health Standards (IPHS), and reducing

out-of-pocket expenditure. Efforts of Zydus Foundation are directed to achieving the above-mentioned objectives effectively. The hospital bridges the gap between the healthcare infrastructure in the Dahod District and free-of-cost treatment which eliminates out-of-pocket expenditure completely.

Alignment with National Health Programmes

■ ZMCH supports implementation of various national healthcare programmes such as the National Programme for Control of Blindness (NPCB), Revised National Tuberculosis Control Programme (RNTCP), Setting up Nutritional Rehabilitation Centres (NRC).

■ It has also an established Centre for the screening of thalassemia and sickle-cell anaemia.

Number of beneficiaries supported through NRC (Apr 2019 to Mar 2021)

Total number of children admitted	449
Cure Rate	55.78%
Average Bed Occupancy Rate	93% (FY 2020) and 57.16% (FY 2021)

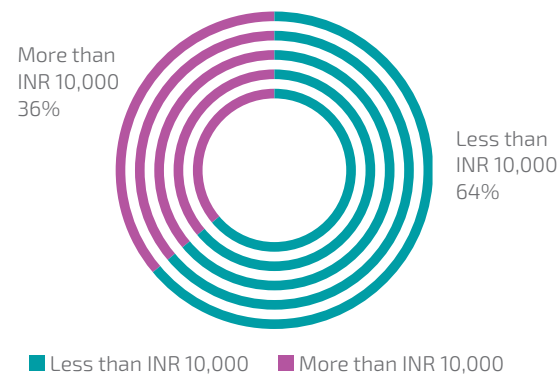
Performance under RNTCP (FY 2020 and FY 2021)

Number of presumptive TB cases referred	1,817
Referral Rate (% of total new adult OPD cases)	4.4%
Number of Patients started with DOTs	122

Effective Coverage of beneficiaries

A survey of beneficiaries selected through random sampling observed that beneficiaries comprised 42% females and 58% males, across age groups with an average age of forty years. The average monthly family income of the beneficiaries was observed to be INR 9,100 which is lower than minimum wages. Approximately 64% of the respondents had a monthly family income of less than INR 10,000. This depicts the effective and targeted coverage of beneficiaries from low-income groups.

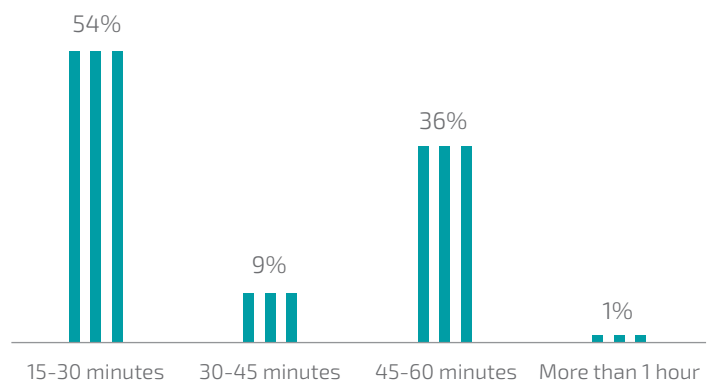
Figure 1: Monthly Family Income of Beneficiaries



Effective Delivery of Quality Services

From the group of randomly selected beneficiaries (sample size: 102 beneficiaries), 61% beneficiaries have been visiting Zydus Hospital for less than 6 months and 4% of them have been visiting for more than 3 years. These highlights growing utilization of the medical services offered by the Hospital resulting in trust and belief developed by the patients. Nearly 50% of the respondents visit Zydus Hospital for every health-related problems. With regards to responsiveness, 54% of the beneficiaries have reported that the doctors of the hospital are highly prompt in attending them and takes 15-30 minutes to see the doctor.

Figure 2: Promptness of doctors



It has been observed from the beneficiary survey that 71% of the selected beneficiaries were 'very satisfied' with the medical facilities that are provided by the Zydus Hospital, Dahod (Figure 3). Additionally, 75% and 71% of the selected beneficiaries are 'very satisfied' with the behaviour and qualification of the medical staff of the hospital, respectively (Figure 4). Regarding hospital cleanliness and maintenance requirements, 74% of the selected beneficiaries are 'very satisfied'. This has resulted in a 100% recommendation by the beneficiaries to their friends and family for any treatment.

Figure 3: Satisfaction rate of selected beneficiaries with medical facilities of Zydus Hospital

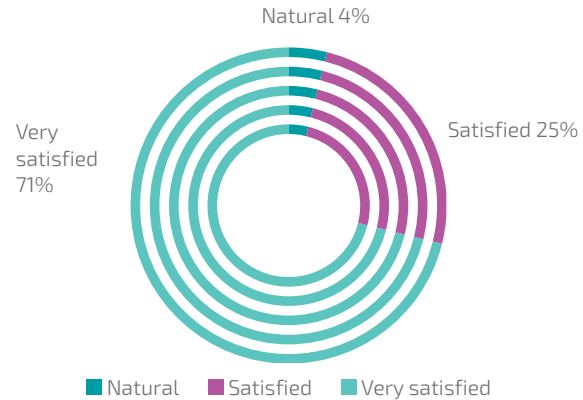
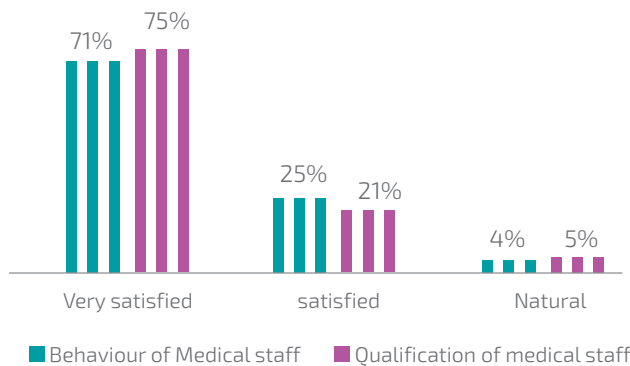


Figure 4: Satisfaction Rate - Behaviour and Qualification of Medical Staff

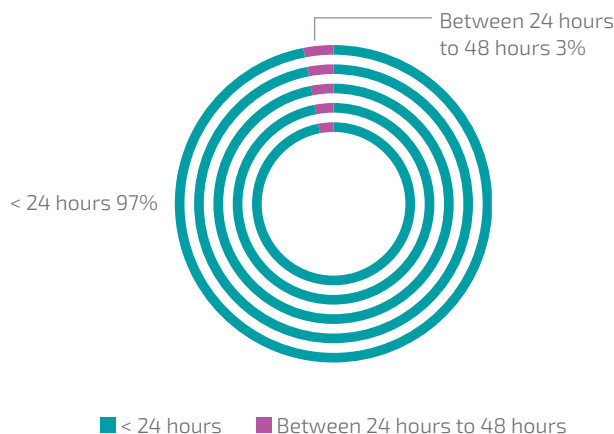


“Zydus Hospital has been one-stop solution for all health-related issues. Medical and nursing staff are very polite and qualified. We are grateful to the hospital for all services provided”.

Beneficiary from local district

95% of the beneficiaries are highly satisfied by the medical attention offered by the medical professionals of the hospital and 97% have reported that it takes less than 24 hours for them to receive their medical reports, depicting a high turn-around-time (TAT).

Figure 5: Duration of medical report delivery



Rare Case: Management of L-1 vertebral fracture with unstable spine

A 35 year old female patient had a history of fall from height and had sustained fracture of L1 vertebra with unstable spine and neurological deficit. She was managed with pedicle screw fixation through posterior approach to stabilise the spine.

Rare Case: Management of huge gastric tumour (GIST)

A 75 year old female patient had a history of lump and pain in abdomen for 3 years. She had consulted many hospitals in Dahod but could not be effectively managed.

This case was operated in Zydus Medical College & Hospital. She had a huge gastric tumour (GIST) involving whole abdominal cavity. The patient recovered fully and was discharged in a healthy condition from the hospital.

Accessibility and affordability

The hospital is visited by beneficiaries from various strata of the society and varied geographical locations. Nearly 65% of the beneficiaries need to travel less than 30 km to reach the Zydus Hospital and 35% of them are required to travel more than 30 km. All the services provided by the hospital are free of cost, except the expense for implants and CT scan which are lower than the government hospitals. Hence, the services offered by the hospital are highly affordable for all beneficiaries.

The beneficiaries have highlighted that in the absence of Zydus Hospital, they would have to visit other primary and secondary-level healthcare facilities or private healthcare facilities which are expensive, inadequately equipped,

and are located at far off distances. This highlights the affordability and accessibility of the hospital offered to the local community.

1.3 Impact

Impact on Healthcare Infrastructure

Zydus Foundation's initiative of building Zydus Hospital and Medical College in Dahod has significantly improved the healthcare infrastructure. Findings and Observations described in the Audit Report (General and Social Sector) for the year ended 31st March 2015 have been taken as a baseline for comparison. The following table demonstrates improvement in the infrastructure at the hospital post takeover by the Foundation:

Table 3: Impact on Healthcare Infrastructure

Sr. No.	Facilities	As per the audit report (FY 2015)	Current situation
1	Number of beds	150	650
2	ICU and Casualty Beds	8	118 (including NICU, PICU, SICU beds)
3	High-end monitors	Nil	170
4	Ventilators	Nil	Ventilators – 32; Bipap - 24
5	X-Ray Machine	Available but without obtaining license from authorities	Digital X-ray machines are available
6	USG	Available but managed by single radiologist	Round the clock availability
7	CT Scan	Not available	Available
8	Blood Bank	Not available	Available with component facility
9	Specialist Doctors	15	167
10	Medical Doctors	8	44
11	Nursing Staff	25	332
12	Other Paramedic Staff	6	Paramedics – 192; Others (Security, Class – IV, etc.) – 398
13	Oxygen Plants	-	Two (2) oxygen plants with 13kld capacity

From above analysis it is evident Zydus Foundation has positively impacted the healthcare infrastructure in the Dahod District.



Impact on Healthcare Service Delivery

Since its inception, Zydus Hospital has served the community and provided adequate healthcare facilities. The total OPD footfall during the assessment period (April 2018 to March 2021) was 7,62,347. Total surgeries 16,260 surgeries were performed during this period.

The trend analysis of OPD attendance, surgery performed, lab investigations and radiology investigations from October 2017 to March 2022 has been highlighted in the below figures.

OPD attendance

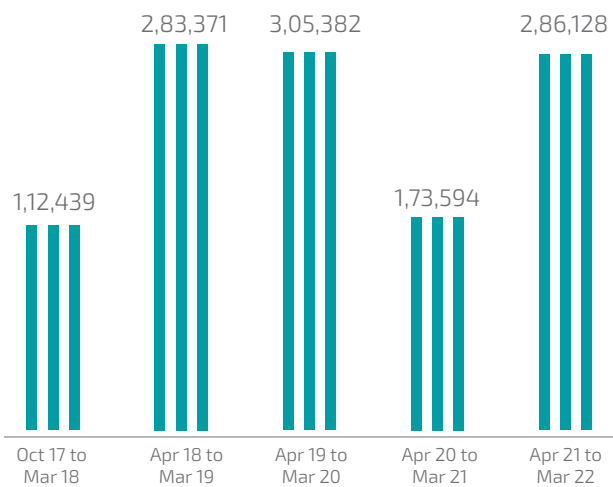


Figure 6: Trend in OPD attendance

Surgeries performed

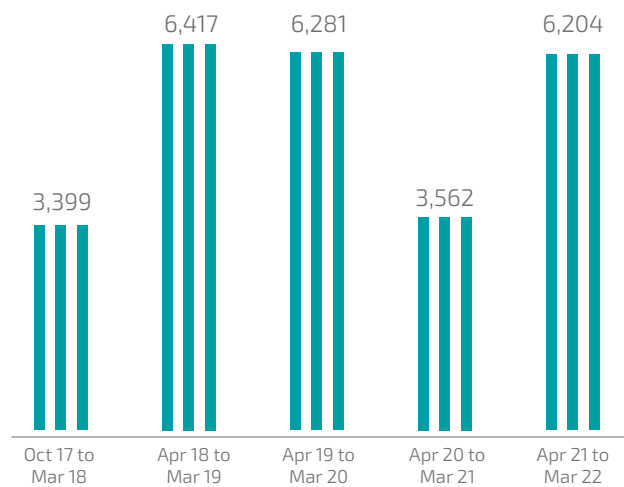


Figure 7: Trend in surgeries performed

Lab investigations

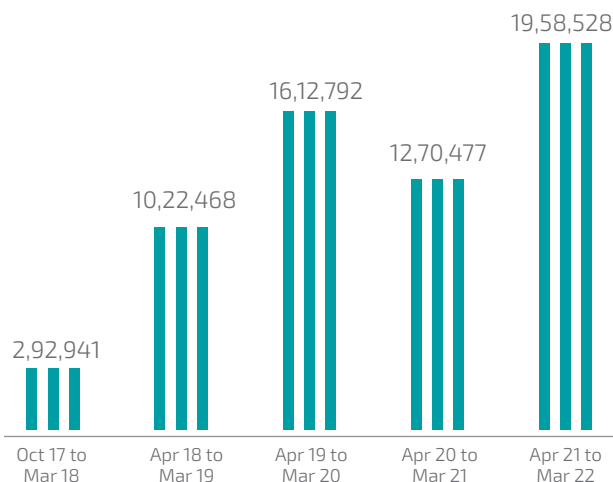


Figure 8: Trend in lab investigations

Radiology investigations

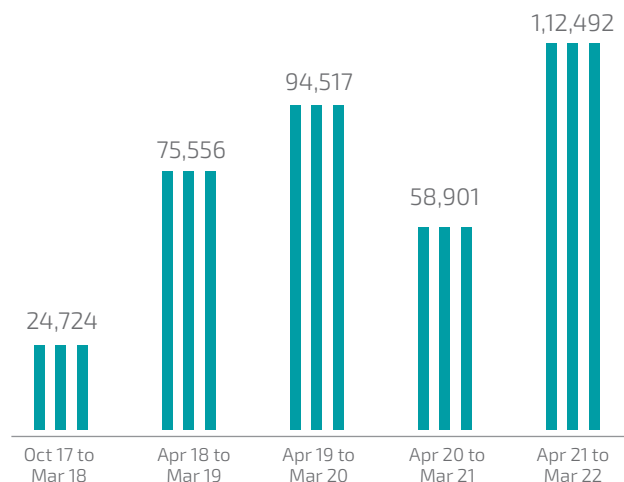


Figure 9: Trend in radiology investigations

Impact of community outreach activities

The hospital and community medicine department of the medical college has undertaken several community outreach programmes to provide disease prevention and health promotion services. Various outreach programmes being conducted includes Diagnostic and Health Awareness Camps, School Health Programme, Anti-Malaria Month

Celebration, Breast Feeding Week Celebration, etc. These programmes have helped in augmenting health seeking behaviour in the community. The hospital has also adopted a Rural Health Centre and an Urban PHU to provide quality primary and referral services.

Family Adoption Programme

It is an innovative and unique initiative undertaken by the ZMCH. Each medical student adopts five families. Medical students are responsible for managing health and other cross cutting aspects of the adopted family.

This initiative helps in building rapport of medical students with the community, understanding challenges of public health, and augmenting health seeking behaviour of the community.

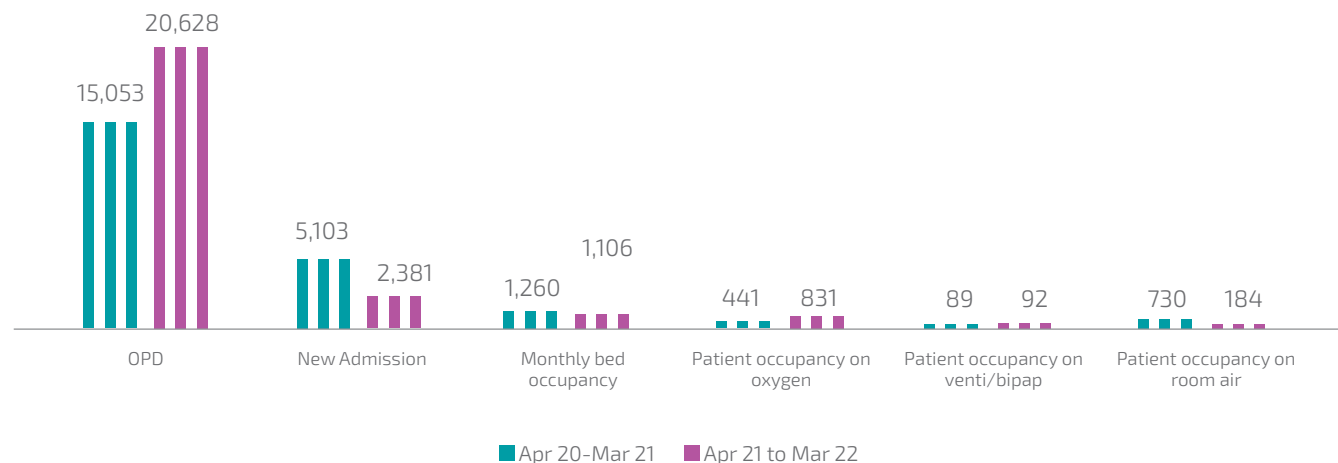
Impact on COVID-19 Pandemic

The ZMCH has established a separate OPD and IPD facilities for COVID-19 management. OPDs are equipped with Rapid Antigen Testing and RTPCR sample Collection facilities. Dedicated radiology and blood gas analysis services are also available. A total of 300 separate beds are available for COVID -19 management, of which over 200 beds have central oxygen supply. The hospital has two oxygen plants with 13kld capacity which suffices the need of the hospital.



Table 4: COVID-19 Management at ZMCH

Services Provided	Number of beneficiaries
OPD	35,681
IPD	7,484
RTPCR Tests	5,30,600
Patients treated on oxygen	53%
Patients treated on ventilator/Bipap	7.6%
Recovery Rate	99.4%



*(As submitted by Ernst & Young Associates LLP)

Particulars of remuneration as per section 197(12) of the Companies Act, 2013 read with rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- a. The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Name of the Director	Ratio of each Director to the median remuneration of the employee
Mr. Pankaj R. Patel	-
Mr. Nitin R. Desai	5.51
Mr. Mukesh M. Patel	5.51
Ms. Dharmishtaben N. Raval	5.51
Mr. Apurva S. Diwanji	5.51
Mr. Bhadresh K. Shah	5.51
Dr. Sharvil P. Patel	401.04
Mr. Ganesh N. Nayak	329.20

- b. The percentage increase in remuneration of each Director, the Chief Financial Officer and the Company Secretary in the financial year:

Name of the Director, the Chief Financial Officer and the Company Secretary	% increase in the remuneration in the financial year
Mr. Pankaj R. Patel	-
Mr. Nitin R. Desai	-
Mr. Mukesh M. Patel	-
Ms. Dharmishtaben N. Raval	-
Mr. Apurva S. Diwanji	-
Mr. Bhadresh K. Shah	-
Dr. Sharvil P. Patel	(23.81)
Mr. Ganesh N. Nayak	(43.31)
Mr. Nitin D. Parekh, Chief Financial Officer	8.09
Mr. Dhaval N. Soni, Company Secretary	11.65

- c. The percentage increase in the median remuneration of employees in the financial year was 8.53%.
- d. There were 23,743 permanent employees (on consolidated basis) on the rolls of the Company as on March 31, 2022.
- e. The profit after tax for the Financial Year ended on March 31, 2022 decreased by 41.88% and the average increase in remuneration of employees was 10.82%.
- f. The remuneration of Key Managerial Personnel, viz. (1) the Managing Director, (2) the Executive Director, (3) the Chief Financial Officer and (4) the Company Secretary decreased / increased by -23.81, -43.31, 8.09 and 11.65% respectively.
- g. The average annual increase in the salaries of the employees, other than managerial personnel was 10.82%, whereas the weightage average increase in the managerial remuneration was 55.80% for the Financial Year ended on March 31, 2022. The increase in remuneration was on the recommendation of NRC considering the performance of the managerial personnel and the Company.
- h. The members have, at the AGM of the Company held on August 11, 2021, approved the payment of commission to the non-executive Directors within the ceiling of 1% (one percent) of the Net Profits of the Company, subject to maximum of ₹ 40.00 mio. (Rupees Forty Million only) in aggregate, as computed under the applicable provisions of the Act. This resolution is valid for a period of 5 (five) years i.e. Financial Year starting from April 1, 2021 and ending on March 31, 2026. The performance of the Company in terms of sales and profitability are the key parameters, apart from size of the Company and contributions of the Directors at the Board and Committee meetings.
- i. The Company affirms that remuneration is as per the Nomination and Remuneration Policy of the Company.

- j. The statement containing particulars of employees as required under section 197(12) of the Act read with rules 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure which forms a part of this Annual Report. In terms of section 136 of the Act, the said annexure is open for electronic inspection. The Annual Report is being sent to the members excluding the aforesaid separate annexure. Any member interested in obtaining a copy of the same may write to the Company Secretary.

On behalf of the Board of Directors

Place : Ahmedabad
Date : May 20, 2022

Pankaj R. Patel
Chairman
DIN: 00131852

Information pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to section 134(1)(m) of the Companies Act, 2013 read with rule 8 of The Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY:

1. Steps taken and capital investment and impact on conservation of energy:

a. Particulars of major steps taken and capital investments made:

		₹ in mio.
Sr. No.	Steps taken by installing following equipment / fittings	Capital Investments
1	Replaced AC with AHUs (SEZ Oncology)	0.91
2	Installed automatic tube brushing cleaning system (SEZ Oncology)	0.80
3	Replaced AHU blower with EC motor (SEZ Oncology)	3.60
4	Installed water storage tank for collecting the treated water (SEZ Oncology)	0.20
5	Installed new RO plants (Dabhasa)	3.00
6	Replaced RO3 water plant with new pump (Dabhasa)	0.32
7	Installed indirect type hot water system (Dabhasa)	0.98
8	Installed LED light in place of HPMV lamp (Dabhasa)	0.55
9	Replaced conventional manual way of cleaning with auto tube cleaning for trane make chilled water plant (Ankleshwar Unit 1)	0.60
10	Installed new chiller with tonnage capacity of 60 TR (API-Ahmedabad)	1.35
11	Installed new solvent tank (API-Ahmedabad)	0.54
12	Replaced CFL tubes with LED tubes (API-Ahmedabad)	0.20
13	Installed highly efficient electronically commutated motors (SEZ-Transdermal)	1.40
14	Installed highly efficient new chiller (SEZ-Transdermal)	7.10
15	Replaced air compressor with most efficient compressors with VFD installed (SEZ-Transdermal)	1.24
16	Installed new recovery RO (Biologics)	3.50
17	Installed high efficiency EC/BLDC blower (Biologics)	3.40
18	Installed new high efficiency centrifugal chiller (Biologics)	20.00
19	Installed high efficiency air-compressor & dryer	10.00
20	Replaced cooling tower fans with highly efficient, reliable & less weight FRP fans (Biologics)	0.60
21	Installed new chiller with tonnage capacity of 250 TR (Topical)	8.00
22	Replaced boiler fuel from coal to bio fuel (Briquette) (SEZ)	6.00
23	Installed variable frequency drives in many applications (SEZ)	0.20
24	Installed compressed air flow controllers (SEZ)	1.70
25	Replaced air compressors & air dryers with most efficient compressors with VFD installed and zero purge loss energy efficient air dryers (SEZ)	4.00
26	Replaced solar heat pump with water heater (SEZ)	1.05
27	Replaced cooling tower fans with highly efficient, reliable & less weight FRP fans (SEZ)	1.70
28	Installed highly efficient electronically commutated motors (Goa)	1.00
29	Installed auto tube cleaning system in chillers by replacing conventional manual way of tube cleaning (Goa)	0.56
30	Installed compressed air flow controllers (Goa)	0.75
31	Replaced air compressors & air dryers with most efficient compressors with VFD installed and zero purge loss energy efficient air dryers (Goa)	2.23
32	Installed UF & RO systems (Goa)	6.20

₹ in mio.

Sr. No.	Steps taken by installing following equipment / fittings	Capital Investments
33	Installed vacuum pump for BQS blister pack machine (Goa)	1.00
34	Replaced chilled water & condenser pump with higher efficiency (Moraiya)	3.00
35	Installed auto chemical dosing system in cooling towers (Moraiya)	1.90
36	Replaced cooling tower fans with highly efficient, reliable & less weight FRP fans (Moraiya)	1.71
37	Replaced induction motor with EC Motor (Moraiya)	2.06
38	Pump Coating (Moraiya)	1.53
39	Installed energy efficient air compressors (Jarod)	4.14
40	Installed auto tube cleaning system in chillers by replacing conventional manual way of tube cleaning (Jarod)	1.80
41	Installed variable frequency drives in cooling tower and boiler fan applications (Jarod)	0.28
42	Installed smart manager in VRV system (Jarod)	0.27
Total		111.37

b. Impact on conservation of energy:

- Saving in power consumption
- Reduction in operational cost
- Reduction in carbon foot print
- Improvement in efficiency
- Introduction of new utility system
- Generation of additional storage capacity
- Reduction in water abstraction
- RO reject water treated in recovery RO and used for cooling tower make-up & other industrial application
- Automation of fire hydrant system
- Reduction in steam generation cost
- Reduction in power wastage
- Maintained the approach temperature all the time and maximize the efficiency of chiller plant
- Reduction in mechanical losses and save electrical energy

- Hybrid power agreement with state government has been made to supply power to all Ahmedabad based manufacturing sites
- Fuel used in steam boiler replaced from coal by bio fuel i.e. briquette

B. TECHNOLOGY ABSORPTION:

1. Efforts made towards technology absorption:

- Continuous efforts have been made by the Company to adopt the new technology available in the market.
- Installed EC fans, high efficiency motors, level based condensate traps, VFD based air compressors chillers & brine plant (new technology in the market)
- Installed legacy fume hood
- Installed auto tube cleaning system in chilled water plant
- Installed SCADA with 21CFR compliance for BMS/EMS system
- Waste water recovery for reuse up to 70%
- Implemented IIoT based power monitoring & reporting
- Digitalization & automation for process equipment to improve the quality, yield and reduction in defects/wastages
- Highly energy efficient oil free screw compressor of 375 CFM capacity is put into use to reduce specific power consumption in compressed air system

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

- Implemented solar power trading
- Installed steam turbine for power generation
- Open access done 3.0 MW (Q1) and 6.0 MW (Q2, Q3) to get reduction in cost of energy
- Power Purchase Agreement with a third party vendor for wind & solar energy

- Vane Axial Fan with highly efficient motor technology absorption from Germany. Procured highly efficient electronically commutated motors with vane axial fan for installation in air handling units by replacing conventional fans & induction motor

2. Benefits derived:

- Reduced power consumption, waste water recovery, improved productivity, better yield and consistency in product quality
- Reduction in operation cost
- Product development
- User is aware about the running status of AHU as well as excursion in the area
- Usage of energy is optimized during non-working hours of production hours

3. Details of technology imported in last 3 (three) years:

The Company has imported the following technology:

A. API-Ahmedabad

LED lights replaced with CFL in a phased manner

B. Biologics:

- Centrifugal chiller 1000 (imported during 2021) and fully absorbed
- Screw type air compressor (imported during 2021) and fully absorbed
- Optima line modification for combo operation in PFS & Cartridge (imported during 2021) and fully absorbed
- Trucking filling line for BVP/TCV plant (imported during 2021) and fully absorbed

C. Jarod:

- Modified Atmosphere Packaging-a practice of modifying the composition of the internal atmosphere of a package in order to improve achieve the Precise Head Space Oxygen in Vials (imported during 2019) and fully absorbed.
- Component Sterilizing Autoclave-a physical method of sterilization by killing bacteria, viruses, and even spores present in the material put inside of the vessel using steam under pressure. Autoclave sterilizes the materials by heating them up to a particular temperature for a specific period of time. To optimize sterility level and increase productivity (imported during 2020) and fully absorbed.
- Van axial fan and motor (imported during 2021) and partially absorbed. Installation and absorption is scheduled for completion in 2022.

4. Expenditure incurred on Research and Development:

The Company has incurred expenditure of ₹ 8,346 mio. (Rupees Eight Thousand Three Hundred Forty Six Million only) under the head Research and Development.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year under review, the foreign exchange earned in terms of actual inflows was ₹ 63,065 mio. (Rupees Sixty Three Thousand Sixty Five Million only), whereas the foreign exchange in terms of actual outflows was ₹ 21,869 mio. (Rupees Twenty One Thousand Eight Hundred Sixty Nine Million only).

On behalf of the Board of Directors

Pankaj R. Patel
Chairman
DIN: 00131852

Place : Ahmedabad
Date : May 20, 2022

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Zydus Lifesciences Limited ("the **Company**") believes in continuous good corporate governance and always strives to improve performance at all levels by adhering to corporate governance practices, such as managing its affairs with diligence, transparency, responsibility and accountability. We have, therefore, designed our systems and action plans to enhance performance and stakeholders' value in the long run. To create a culture of good governance, your Company has adopted practices that comprise of performance accountability, effective management control, constitution of Board Committees as a part of the internal control system, fair representation of professionally qualified, non-executive and independent Directors on the Board of Directors ("the **Board**"), adequate and timely compliance, disclosure of information on performance, ownership and governance of the Company and payment of statutory dues. The Compliance Report on Corporate Governance herein signifies compliance of all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("the **Listing Regulations**").

TRANSPARENCY

We believe that transparency is important for healthy and self-sustaining growth. It also promotes deep and long-standing trust amongst our stakeholders. We endeavour to demonstrate highest levels of transparency.

FAIRNESS

We practice fair play and integrity in our transactions with all stakeholders. We conduct ourselves in an equitable manner.

ACCOUNTABILITY

We believe that accountability is about holding ourselves responsible for what we do. By means of openness and transparency, we consider ourselves accountable to the entire universe of stakeholders including our patients, employees, shareholders, vendors, government agencies, society, medical community, customers and business partners, and supply chain participants.

1. GOVERNANCE STRUCTURE:

Governance structure of the Company comprises of the Board and the Committees of the Board at the top level and the internal governance structure at the operational

level. The responsibility of the Board is to determine the overall corporate objectives and give direction and freedom to the management to achieve those objectives within a given framework. The organizational governance structure enables an environment for value creation through sustainable and profitable growth.

The governance structure is based on the principles of freedom to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and responsibilities.

The primary role of the Board is to protect the interest and enhance the value for all the stakeholders. It conducts the overall strategic supervision and control by setting policies, reporting mechanism and accountability and decision making process to be followed.

The Chairman and the Managing Director are in overall control and responsible for the overall working of the Company. They give strategic directions, lay down the policy guidelines and ensure the implementation of the decisions of the Board and its Committees. The Managing Director and the Executive Director are responsible for leading and directing the Company's overall operations.

The governance system encourages the entrepreneurship, risk taking and growth orientation with an objective to lead full accountability enabled by appropriate empowerment.

2. BOARD OF DIRECTORS:

The Board has the ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole. The Managing Director and the Executive Director look after the day-to-day business affairs of the Company. The Board reviews the overall business operations at least once in a quarter based on updates on the Company's performance provided by the Managing Director, the Chief Financial Officer and other senior executives of the Company.

A. Composition of the Board:

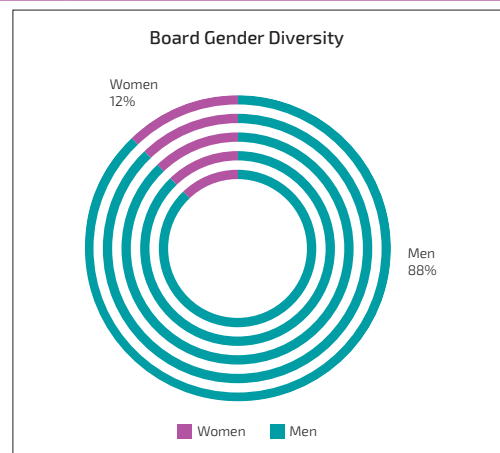
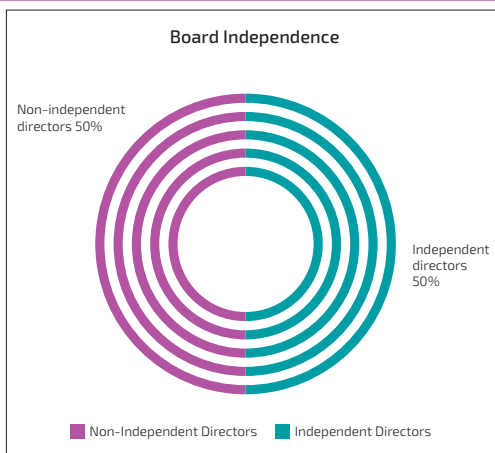
The Composition of the Board, with reference to the number of Executive and Non-Executive Directors, meets the requirements of the Code of Corporate Governance. The Board is headed by Non-Executive

Chairman, Mr. Pankaj R. Patel, who is also the promoter Director. As at March 31, 2022, your Company's Board comprised of 8 (eight) Directors; which include 2 (two) Executive Directors and 6 (six) (i.e. 75%) Non-Executive Directors, including 4 (four) (i.e. 50%) Independent Directors ("IDs"), who have considerable experience in their respective fields. As required under the provisions of section 149(1) of the Companies Act, 2013 ("the Act") and Rules made thereunder and regulation

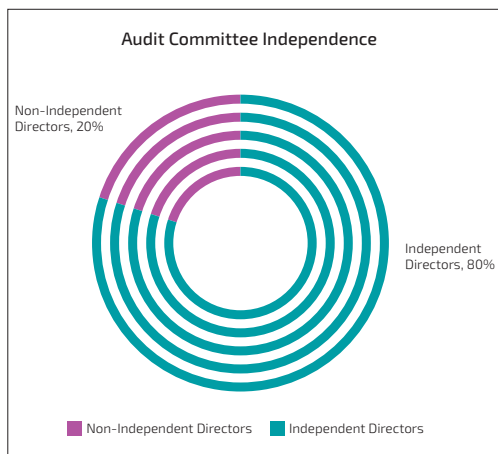
17 of the Listing Regulations, the constitution of Board meets with the requirements stated therein. Non-Executive Directors and IDs have expert knowledge in the fields of finance, taxation, legal and industry. Thus, the Board represents a balanced mix of entrepreneurs and professionals, who bring the benefits of their knowledge and expertise and enable the Board to discharge its responsibilities and provide effective leadership to the business.

Various details of the Board and Committees are provided in the below chart:

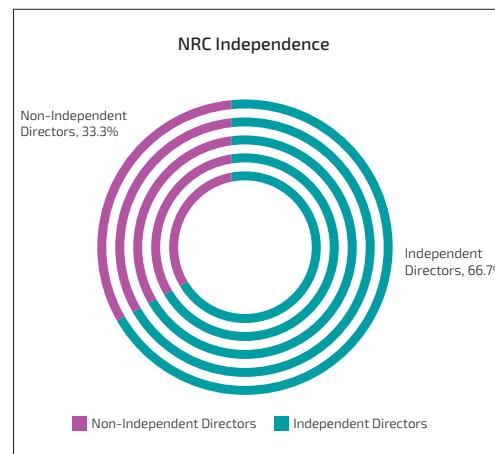
Board Composition	
Board size	8
Independent directors	4
Non-independent directors	4
Gender Diversity	
Women	12.5%
Men	87.5%
Average Age	64.38
Average Board Tenure	13.6
Average Tenure - Independent Directors	7.0
Number of Board Meetings	8
Board Attendance %	98.4%
Number of Committee Meetings	43
Committee Attendance %	97.7%
Age Diversity	
40 - 49	12.5%
50 - 59	12.5%
60 - 69	50.0%
70 - 79	25.0%
Board Chairperson	Non-Executive Director
Separate role of Chairperson & MD	Yes
Lead Independent Director	Under Consideration
Board Evaluation	Annual
Board Re-election	
Independent Directors	Fixed term of 5 years (upto 2 terms)
Executive & Non-Executive Directors	Annual retirement by rotation (1/3rd of 2/3rd)



Audit Committee Independence	
Independent Directors	80%
Non-Independent Directors	20%



NRC Independence	
Independent Directors	66.7%
Non-Independent Directors	33.3%



IDs are non-executive directors as defined under regulation 16(1)(b) of the Listing Regulations read with section 149(6) of the Act along with rules made thereunder. In terms of regulation 25(8) of the Listing Regulations, the IDs have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impact or impair their ability to discharge their duties. Based on the declarations received from the IDs, the Board has confirmed that they meet the criteria of independence as mentioned under regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

The Board, based on the declarations received from IDs, has verified the veracity of such disclosures and confirmed that the IDs fulfil the conditions of independence specified in the Listing Regulations and are independent of the management of the Company.

There were no conflicts of interest of IDs with the Company.

None of the ID-

- i. is employed by the Company in an executive capacity in last 5 (five) years,
- ii. is a family member of an individual who is or during last 3 (three) years was employed by the Company or any subsidiary company as an executive officer,
- iii. is an advisor or consultant to the Company or a member of the Company's senior management,
- iv. is affiliated with a significant customer or supplier of the Company,

- v. have any personal service contract with the Company or a member of the Company's senior management,
- vi. is affiliated with a not-for-profit entity that receives significant contributions from the Company,
- vii. is a partner or employee of the Company's statutory auditors during the past 3 (three) years,
- viii. accept or have a family member who accepts any payments from the Company or any subsidiary company and
- ix. have any other conflict of interest that the Board itself determines to mean they cannot be considered independent.

The Company shall always maintain a minimum of 50% (fifty percent) IDs on the Board.

The Managing Director and the Executive Director are not serving as an ID in any listed company.

Mr. Pankaj R. Patel, Non-Executive Chairman is father of Dr. Sharvil P. Patel, Managing Director. Except this, none of the directors are relatives of any other director.

The Board has identified the below mentioned core skills / expertise / competencies in the context of the business and the sector in which the Company is operating, for the Company to function effectively:

- Knowledge and / or expertise in one or more of areas like pharmaceuticals (including medical, pharmacology and research), manufacturing, accounts, finance, taxation, banking, HR, IT, marketing, law, business and management.

The above core skills / expertise / competencies identified by the Company are also actually available with the Board as under:

Sr. No.	Name of the Director	Skills actually available with the Directors
1.	Mr. Pankaj R. Patel	Knowledge and expertise in pharmaceuticals (including medical, pharmacology and research), manufacturing, marketing, business and management
2.	Dr. Sharvil P. Patel	
3.	Mr. Mukesh M. Patel	Knowledge and expertise in taxation
4.	Mr. Apurva S. Diwanji	Knowledge and expertise in law
5.	Mr. Nitin R. Desai	Knowledge and expertise in business and management
6.	Ms. Dharmishtaben N. Raval	Knowledge and expertise in law
7.	Mr. Bhadresh K. Shah	Knowledge and expertise in manufacturing, marketing, business and management
8.	Mr. Ganesh N. Nayak	Knowledge and expertise in pharmaceuticals, marketing, business and management

The eligibility of a person to be appointed as a Director of the Company is dependent on possession of the requisite skills, as identified by the Board.

B. Board Meetings / Directors' Particulars:

In compliance with regulation 17(2) of the Listing Regulations and section 173(1) of the Act, the Board meets at least once in each quarter and the gap between any 2 (two) Board meetings was not more than 120 (one hundred twenty) days. During the Financial Year ended on March 31, 2022, 8 (eight) Board meetings were held on May 12, 2021, May 15, 2021, May 27, 2021, July 9, 2021, August 11, 2021, October 29, 2021, January 21, 2022 and February 3, 2022. All these meetings were held through video conferencing / audio-visual means.

The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly / half yearly unaudited financial results, unaudited financial statements and the audited annual financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure and ensures compliance of applicable laws and regulations. It monitors overall performance of the Company and reviews performance of its subsidiaries and joint ventures. The agenda for the Board meeting covers items set out as guidelines in regulation 17 of the Listing Regulations to the extent the same are applicable and relevant. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions.

The meetings of the Board are scheduled well in advance to facilitate the Directors to plan their schedule and to ensure meaningful participation in the meetings. The physical meetings are usually held in Ahmedabad, where the Registered Office of the Company is situated. The Chief Financial Officer and the Company Secretary, in consultation with the Chairman and the Managing Director, prepare detailed agenda for the meetings.

Directors are also free to bring up any other matter for discussion at the Board meetings with the permission of the Chairman. In case of a special and urgent business need, the Board's approval is taken by passing resolution(s) by circulation, as permitted under the law, which is noted in the subsequent Board meeting. Moreover, certain urgent matters are also being taken up at a Board meeting which is held at a shorter notice.

With the unanimous consent of the Board, information which is in the nature of unpublished price sensitive, is circulated to directors at a shorter notice.

Presentations are made on business operations to the Board by the functional heads of the Company.

The Company Secretary is responsible for convening Board and Committee meetings and preparation of respective agenda papers. The Company Secretary attends all the meetings of the Board and its Committees and ensures appropriate recording of the minutes of the meetings.

Video conferencing facilities are also used to facilitate Directors residing at other locations to participate in the meetings.

The draft minutes of all the meetings approved by the Chairman is circulated to all the Directors within 15 (fifteen) days after the conclusion of the meetings. Comments, if any, received from the Directors are incorporated in the minutes, in consultation with the Chairman. Decisions taken at Board / Committee meetings are communicated to the concerned departments promptly for actions and an Action Taken Report on the status of the decisions taken at the Board / Committee meetings is placed, for the information, to the Board / Committee members. The minutes of all Committee meetings are placed in the next Board meeting for their noting.

An Action Taken Report is placed before the Board meetings for their noting.

The Board has complete access to the information within the Company, which inter-alia includes-

1. Annual revenue and capital expenditure plans / budgets,
2. Quarterly results and results of operations of Company, its subsidiaries and joint ventures,
3. All borrowings, investments, loans and guarantees,
4. Minutes of the meetings of the Board, Committees of the Board and the summary of minutes of the Indian subsidiary companies,
5. Details of any joint ventures, acquisitions of brands, trademarks or companies or any collaboration agreements,
6. Quarterly report on any fatal or serious accidents or dangerous occurrences and material effluent or pollution problems,
7. Any materially relevant default, if any, in financial obligations to and by the Company or substantial non-payment for goods sold or services rendered, if any,
8. Any issue, which involves possible public or product liability claims of substantial nature,

including any Judgment or Order, if any, which may have strictures on the conduct of the Company,

9. Compliance or non-compliance of any regulatory, statutory nature or listing requirements and matters related to investors' service such as non-payment of dividend, delay in transfer of shares, etc.

The IDs play an important role in the deliberations in Board meetings and bring with them rich expertise in the field of industry, marketing, accountancy, finance, taxation and other areas.

While constituting the Committee of Directors, the requirements that a Director shall not be a member of more than 10 (ten) committees and Chairman of not more than 5 (five) committees have been ensured and complied with. None of the IDs serves as an ID in more than 7 (seven) listed companies. None of the Directors of the Company hold Directorship in more than 20 (twenty) companies, including 10 (ten) public companies. All Directors of the Company except the IDs are liable to retire by rotation. During the year under review, none of the IDs of the Company had resigned before the expiry of their respective tenure(s).

The following table gives the original date of appointment, the tenure, the attendance of the Directors at the Board meetings of the Company and also the number of other Directorships held in Indian Public Limited Companies (other than the Company) and Chairmanship / Membership in Board Committees of Public Limited Companies as at March 31, 2022.

Name of the Director	Category and Position	Original date of appointment	Tenure (in years)	No. of Board meetings held during the year	No. of Board meetings attended	Whether attended last AGM	Member (Chairman) ¹ of Board Committees ²	No. of other Directorships held
Mr. Pankaj R. Patel ³	Non-Executive Chairman	May 15, 1995	27		8	Yes	3 (2)	4
Mr. Nitin R. Desai	Non-Executive and Independent Director	May 6, 2011	11		8	Yes	3 (1)	2
Mr. Mukesh M. Patel	Non-Executive Director	August 1, 1997	25		8	Yes	9 (5)	6
Ms. Dharmishtaben N. Raval	Non-Executive and Independent Woman Director	May 16, 2014	8	8	8	Yes	3 (2)	6
Mr. Apurva S. Diwanji	Non-Executive and Independent Director	May 13, 2016	6		8	Yes	1	0
Mr. Bhadresh K. Shah	Non-Executive and Independent Director	December 6, 2018	4		7	Yes	6	3
Dr. Sharvil P. Patel ⁴	Managing Director	August 1, 1997	25		8	Yes	1	6
Mr. Ganesh N. Nayak	Executive Director	July 12, 2017	5		8	Yes	2 (1)	1

1 Figures in () indicate the number of Board Committees of which a Director is a Chairman.

2 Board Committee means Audit Committee and Stakeholders' / Investors' Relationship Committee.

3 Promoter Director and father of Dr. Sharvil P. Patel.

4 Son of Mr. Pankaj R. Patel.

The following table gives the names of the listed companies where the Directors of the Company are Directors and the category of their respective directorships:

Sr. No.	Name of the Director of the Company	Name of the listed companies in which the Director of the Company is a Director	Category of Directorship in the listed companies
1.	Mr. Pankaj R. Patel	Bayer CropScience Limited Torrent Power Limited	Independent Director
2.	Mr. Nitin R. Desai	Force Motors Limited	Independent Director
3.	Mr. Mukesh M. Patel	The Sandesh Limited Johnson Controls-Hitachi Air Conditioning India Limited	Independent Director
4.	Ms. Dharmishtaben N. Raval	Zydus Wellness Limited NOCIL Limited	Independent Director
5.	Mr. Apurva S. Diwanji	None	N.A.
6.	Mr. Bhadresh K. Shah	AIA Engineering Limited Welcast Steels Limited	Managing Director Non-Executive and Non-Independent Director
7.	Dr. Sharvil P. Patel	Zydus Wellness Limited	Non-Executive and Non-Independent Director
8.	Mr. Ganesh N. Nayak	Zydus Wellness Limited	Non-Executive and Non-Independent Director

C. Familiarization Programme:

At the time of appointment of an ID, a formal letter of appointment is given to him / her, which inter-alia explains the roles, functions, duties and responsibilities expected from him / her as a Director of the Company. All our Directors are aware and also updated, whenever required, of their roles, responsibilities, liabilities and obligations under the provisions of Schedule IV of the Act and Rules made thereunder and regulation 25 of the Listing Regulations.

A presentation on familiarization programme made to the IDs of the Company is posted on the website of the Company. The link of the same is provided separately under this report.

D. Evaluation:

During the year under review, the Nomination and Remuneration Committee ("NRC") / Board have carried out evaluation of the performance of following:

1. Board as a whole,
2. Committees of the Board,
3. Directors,
4. IDs and
5. Chairman.

Evaluation Sheets for evaluation of above were circulated to all the Directors and the filled in evaluation sheets of all the Directors were submitted to the Chairman of the Board.

The Board has evaluated the composition of Board, its committees, experience and expertise, performance of specific duties and obligations, governance matters, etc. with an aim to improve their effectiveness.

Performance evaluation of individual Directors and the Board Chairman was also carried out in terms of their respective attendance at Board / Committee meetings, contributions at the meetings, circulation of sufficient documents and information to the Directors, timely availability of the agenda, etc. Directors were satisfied with the evaluation on different criteria.

Performance evaluation of IDs was also carried out which included, preparedness and information about the Board / Committee meetings, attendance at different meetings, preparedness to devote sufficient time for meetings, relationship with the Chairman, other board members, KMP and senior management personnel, updating knowledge with latest developments in regulatory and market conditions, expressing views on specialized agenda items and the statutory requirement being the fulfilment of the independence criteria as specified in the Listing Regulations and their independence from the management. The Directors who were subject to evaluation did not participate in the proceedings of the meeting.

3. COMMITTEES OF THE BOARD:

The Board currently has the following committees:

- A. Audit Committee;
- B. Share Transfer Committee;
- C. Stakeholders' / Investors' Relationship Committee;
- D. Nomination and Remuneration Committee;
- E. Risk Management Committee;
- F. Corporate Social Responsibility & ESG Committee;
- G. Buyback Committee; and
- H. Finance and Administration Committee.

The terms of reference of the Board Committees are determined by the Board from time to time. The Board is responsible for constituting, assigning and co-opting the members of the Committees. The meetings of the Board Committees are convened by the Chairman of the respective Committee.

The committees operate under the direct supervision of the Board. Normally, the Committee meetings are held prior to the Board meeting and the Chairman of the respective committee reports to the Board about the deliberations and decisions taken by the committees.

A. Audit Committee:

I. Terms of Reference:

The role of the Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible,
2. Review with the management the quarterly / half-yearly / annual, unaudited / audited financial results, statements and Limited Review Report / Audit Reports of the Statutory Auditors before recommending for approval by the Board with particular reference to matters required to be included in the directors' responsibility statement to be included in board's report in terms of section 134(3)(c) of the Act,
3. Review changes in the accounting policies, major accounting estimates based on exercise of judgment by the management, significant adjustments made in the financial statements, compliance with listing and other legal requirements relating to financial statements, disclosure of related party transactions, modified opinion, if any, in the draft audit report,
4. Review of Management Discussion and Analysis of financial and operational performance,
5. Review of inter-corporate loans and investments,
6. Review with the management the performance of statutory and internal auditors,
7. Review the adequacy and effectiveness of internal financial controls and systems,

8. Review and discuss with the management major financial risk exposures and steps taken to monitor and control them,
9. Oversee and review the functioning of vigil mechanism (implemented by the Company as a Whistle Blower Policy),
10. Review the scope of the Internal Auditors and Audit Plan to ensure reasonable coverage of different areas of operations,
11. Review, discuss and monitor the observations reported by Statutory / Internal Auditors and their compliance,
12. Review and recommend to the Board the appointment / re-appointment of the Statutory and Cost Auditors after due consideration of their independence and effectiveness,
13. Approve the payment towards additional services rendered by the Statutory Auditors except those enumerated in section 144 of the Act,
14. Recommend to the Board the remuneration of the Statutory and Cost Auditors,
15. Review Cost Audit Report submitted by the Cost Auditors,
16. Approve the appointment, removal and terms of remuneration of Internal Auditors,
17. Approve, and / or subsequent modification, if any, the Related Party Transactions and grant omnibus approvals for certain related party transactions, which are in the ordinary course of business and on an arm's length basis,
18. Review utilization of loans and / or advances from / investment by the company in subsidiary company in excess of ₹ 1,000 mio. (Rupees One Thousand Million only) or 10% (ten percent) of asset size of the subsidiary, whichever is lower,
19. Supervise implementation of Insider Trading Code and policies relating thereto,
20. Valuation of undertakings or assets of the Company, wherever necessary, and
21. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation, etc. on the Company and its shareholders.

The Audit Committee ensures that it has reviewed each area that it is required to review under

the terms of reference. Every quarter, the Audit Committee is presented with a summary of audit observations and follow up actions thereon.

The Audit Committee periodically reviewed and noted all related party transactions. Majority of the related party transactions were between the Company and its subsidiaries / associates. All the related party transactions were in the ordinary course of business and on an arm's length basis. The Audit Committee ratified all the related party transactions entered into by the Company during the Financial Year ended on March 31, 2022. The

Audit Committee also granted omnibus approval for the related party transactions proposed to be entered into by the Company during the Financial Year ending on March 31, 2023. The Company did not enter into any related party transactions that required approval of the shareholders.

As prescribed under the Listing Regulations, only the IDs participated and approved the related party transactions w.e.f. January 1, 2022.

The Audit Committee also took a note of the material subsidiaries of the Company.

II. Composition, meetings held and attendance at the meetings during the year:

The Audit Committee held 4 (four) meetings during the Financial Year ended on March 31, 2022 on May 27, 2021, August 11, 2021, October 29, 2021 and February 3, 2022. The time gap between any 2 (two) meetings was less than 120 (one hundred twenty) days. The composition of the Audit Committee as at March 31, 2022 and details of the attendance of its members are as under:

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Mr. Nitin R. Desai, Chairman	Non-Executive and Independent		4
Mr. Mukesh M. Patel	Non-Executive		4
Ms. Dharmishtaben N. Raval	Non-Executive and Independent	4	4
Mr. Apurva S. Diwanji	Non-Executive and Independent		4
Mr. Bhadresh K. Shah	Non-Executive and Independent		4

All the members of the Audit Committee have the requisite qualifications for appointment on the Committee and possess sound knowledge of accounting practices as well as financial and internal controls.

The Chairman of the Audit Committee attended the Annual General Meeting ("AGM") of the Company held on August 11, 2021 to respond to members' queries.

III. Invitees at the Audit Committee Meetings:

The representative(s) of the Statutory Auditors are regularly invited and they have attended all the Audit Committee meetings held during the Financial Year ended on March 31, 2022. The representative of the Cost Auditors attends the Audit Committee meeting, where the Cost Audit Report is tabled for discussion. The Managing Director, the Chief Financial Officer and the Management Auditor are invited to attend and participate in these meetings. The Company Secretary acts as the Secretary to the Committee.

The Company continues to derive benefits from the deliberations of the Audit Committee meetings as the members are experienced in the areas of finance, accounts, taxation, corporate laws and industry. It ensures accurate and timely disclosures

that maintain the transparency, integrity and quality of financial control and reporting.

B. Share Transfer Committee:

I. Terms of reference:

The Committee is empowered to perform all the functions of the Board in relation to approval and monitoring of transfer, transmission, transposition, dematerialization, rematerialization, issue of duplicate share certificate, splitting and consolidation of shares issued by the Company. The Committee also oversees the functions of Link Intime India Private Limited, the Registrar and Share Transfer Agent ("RTA") of the Company. The Board has delegated the powers to approve the transfer of shares to the Committee.

II. Composition:

As at March 31, 2022, the Share Transfer Committee comprises of the following members:

1. Mr. Pankaj R. Patel-Chairman,
2. Mr. Mukesh M. Patel, and
3. Dr. Sharvil P. Patel.

The Company Secretary acts as the Secretary to the Committee.

III. Meetings held and the attendance of members at the meetings:

The Committee meets on a need basis to ensure the regular process of transfer / transmission of shares, split, consolidation, dematerialization / rematerialization and issuance of duplicate share certificates.

C. Stakeholders' / Investors' Relationship Committee ("SRC"):

In compliance with the provisions of section 178(5) of the Act and regulation 20 of the Listing Regulations, the Board has formed SRC.

I. Terms of reference:

The SRC reviews the redressal of grievances of stakeholders pertaining to the requests / complaints of the members related to transfer of shares, dematerialization of shares, non-receipt of annual report, non-receipt of dividend or revalidation of expired dividend warrants / cheques, recording the change of address, nomination, etc.

The role of SRC has been specified in Para B of Part D of the Schedule II of the Listing Regulations, which is as under:

- (1) Resolving the grievances of the security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.,
- (2) Review of measures taken for effective exercise of voting rights by shareholders,
- (3) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the RTA and
- (4) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the members of the Company.

The Chairman of SRC attended the AGM of the Company held on August 11, 2021.

II. Composition:

Mr. Mukesh M. Patel, Non-Executive Director is the Chairman and Mr. Pankaj R. Patel, Dr. Sharvil P. Patel and Mr. Bhadresh K. Shah are the members of this Committee. The Committee met once during the year on February 3, 2022 and all the members remained present in the meeting.

Mr. Dhaval N. Soni, Company Secretary of the Company acts as the Secretary to the Committee, who is designated as a Compliance Officer pursuant to regulation 6 of the Listing Regulations.

The Committee ensures that the members' / investors' grievances and correspondence are attended and resolved expeditiously.

6,61,922 (Six Lakh Sixty One Thousand Nine Hundred Twenty Two) equity shares remained in the in-transit account with National Securities Depository Limited and Central Depository Services (India) Limited (collectively referred to as "the Depositories") as at March 31, 2022.

III. Number of complaints:

During the year under review, the Company has resolved investor grievances expeditiously. The Company and / or its RTA have received 8 (eight) complaints from SEBI / Stock Exchanges and also directly from the members, which were resolved within the time frame laid down by SEBI.

D. Nomination and Remuneration Committee ("NRC"):

In compliance with the provisions of section 178(1) of the Act and regulation 19 of the Listing Regulations, the Board has constituted a NRC. The terms of reference of NRC are specified in Para A of Part D of Schedule II of the Listing Regulations which are mentioned hereunder:

I. Terms of reference:

The functions of NRC, inter-alia, include the following:

1. To identify the persons, who are qualified to become Directors of the Company or who may be appointed in Senior Management,
2. For appointment of ID, to evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of role and capabilities of an ID,
3. To recommend to the Board, appointment and removal of the Director(s) and evaluation of each Director's performance,
4. To formulate criteria for determining qualifications, positive attributes and independence of a Director,
5. To review on annual basis the compensation to the Non-Executive Directors and Senior Management, which includes KMP, (in whatever form) and recommend to the Board the remuneration and incentive payable to each of them,

6. To ensure that level and composition of remuneration is reasonable and sufficient, its relationship with performance is clear and meets appropriate performance benchmarks, and
7. To develop and review the succession plan for the Board.

II. Composition and Meetings:

The composition of NRC as at March 31, 2022 and details of attendance of the Committee members at the meetings are given in the following table. The Committee met thrice during the year on May 27, 2021, July 7, 2021 and January 21, 2022. All members of the Committee are Non-Executive Directors and except Mr. Pankaj R. Patel and Mr. Mukesh M. Patel, other members are IDs.

Name of the Member	No. of Meetings held	No. of Meetings attended
Mr. Nitin R. Desai, Chairman		3
Mr. Pankaj R. Patel		3
Mr. Mukesh M. Patel		3
Ms. Dharmishtaben N. Raval	3	3
Mr. Apurva S. Diwanji		3
Mr. Bhadresh K. Shah		2

The Company Secretary acts as the Secretary to the Committee. The Chairman of the NRC attended the AGM of the Company held on August 11, 2021.

III. Nomination and Remuneration Policy and details of remuneration paid / payable to the Directors for the Financial Year ended on March 31, 2022:

The Board approved the Nomination and Remuneration Policy on the recommendation of NRC. The salient aspects of the Policy are outlined below:

a. Objectives:

1. To guide the Board in relation to appointment and removal of Directors and Senior Management, which includes KMP,
2. To evaluate the performance of the members of the Board, its committees and individual directors and provide necessary report to the Board for further evaluation of the Board and

3. To recommend to the Board on remuneration payable to the Directors and Senior Management which includes KMP.

The Company follows a policy on remuneration of Directors and Senior Management.

b. Remuneration to Non-Executive Directors:

1. Non-Executive Director is paid sitting fees for each meeting of the Board or Committee of the Board attended by him/her, of such sum as may be approved by the Board within the overall limits prescribed under the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Board has approved the payment of sitting fees at ₹ 0.10 mio. (Rupees One Lakh only) to each Non-Executive Director towards each of the Board / Committee meetings attended by them. Normally, the sitting fees is paid immediately after the board or committee meetings, to those who have attended the meetings.
2. A Non-Executive Director is also paid commission on an annual basis, of such sum as may be approved by the Board. The total commission payable to the Non-Executive Directors shall not exceed 1% (one percent) of the net profit of the Company and subject to ₹ 4.00 mio. (Rupees Four Million only), being the limit approved by the members. In case of loss or if profits are inadequate, the non-executive directors and IDs are entitled to receive remuneration, subject to the provisions of the Act.
3. In determining the quantum of commission payable to Non-Executive Directors, the NRC considers the overall performance of the Company and the onerous responsibilities required to be shouldered by the Non-Executive Directors.
4. A Non-Executive Director is also reimbursed the expenses incurred by him / her for attending the Board and / or Committee meetings and members' meetings.
5. Apart from the above, there are no materially significant related party

transactions, pecuniary transactions or relationships between the Company and its Directors except those disclosed in the financial statements for the Financial Year ended on March 31, 2022.

c. Remuneration to the Managing Director and the Executive Director:

Dr. Sharvil P. Patel is the Managing Director of the Company and Mr. Ganesh N. Nayak is the Executive Director of the Company. On the recommendation of the NRC, the Board decides and approves the remuneration payable to the Managing Director and the Executive Director within the ceiling fixed by members.

As per the recommendation of the NRC-

1. Dr. Sharvil P. Patel, Managing Director was paid remuneration of ₹ 180.00 mio. (Rupees One Hundred Eighty Million only) + Company' PF contribution by way of fixed salary and variable pay of ₹ 20.00 mio. (Rupees Twenty Million only) is payable for the Financial Year ended on March 31, 2022, aggregating to ₹ 200.00 mio. (Rupees Two Hundred Million only) + Company's PF contribution on fixed salary.
2. Mr. Ganesh N. Nayak, Executive Director was paid remuneration of ₹ 129.57 mio. (Rupees One Hundred Twenty Nine Million Five Hundred Seventy Thousand only) and variable pay of ₹ 34.60 mio. (Rupees Thirty Four Million Six Hundred Thousand only) is payable for the Financial Year ended on March 31, 2022, aggregating to ₹ 164.17 mio. (Rupees One

Hundred Sixty Four Million One Hundred Seventy Thousand only).

The Company has entered into agreements with Dr. Sharvil P. Patel and Mr. Ganesh N. Nayak for their respective employment for a period of 5 (five) years and 3 (three) years respectively. Either party to an agreement is entitled to terminate the agreement by giving not less than 3 (three) months' or 6 (six) months' notice in writing to the other party in case of Dr. Sharvil P. Patel and Mr. Ganesh N. Nayak respectively.

The Board and the NRC reviewed the performance of individual directors on the basis of criteria fixed by the Board / NRC.

d. Remuneration to Senior Management:

The Managing Director and the Executive Director, with the help of the President-Group Human Resources, carry out the individual performance review based on the standard appraisal matrix and after taking into account the appraisal score card and other factors like-Key Performance Area v/s Initiatives, balance between fixed and variable pay, fixed components and perquisites and retirement benefits, criticality of roles and responsibilities, industry benchmarks and current compensation trends in the market. Further, any promotion at a senior level management is approved by the Management based on a predetermined process and after assessing the candidate's capability to shoulder higher responsibility.

IV. Details of the commission / sitting fees paid to the Non-Executive Directors for the Financial Year 2021-2022 are given below:

₹ in mio.

Name of the Non-Executive Directors	Sitting fees							Total
	Commission ¹	Board Meetings	Audit Committee Meetings	CSR Committee Meetings	NRC Meetings	SRC Meetings	Other Meetings ²	
Mr. Pankaj R. Patel	--	0.80	N.A.	0.30	0.30	0.10	0.10	1.60
Mr. Nitin R. Desai	2.75	0.80	0.40	N.A.	0.30	N.A.	0.10	4.35
Mr. Mukesh M. Patel	2.75	0.80	0.40	N.A.	0.30	0.10	0.10	4.45
Ms. Dharmishtaben N. Raval	2.75	0.80	0.40	0.30	0.30	N.A.	0.10	4.65
Mr. Apurva S. Diwanji	2.75	0.80	0.40	N.A.	0.30	N.A.	0.20	4.45
Mr. Bhadresh K. Shah	2.75	0.70	0.40	N.A.	0.20	0.10	0.10	4.25

1 The Board, based on the performance of the Company and on the recommendation of NRC, has decided the payment of Commission to the Non-Executive Directors.

2 Other meetings include separate meeting of IDs and Risk Management Committee meeting.

The Nomination and Remuneration Policy is available on the website of the Company and the weblink of the same is provided separately in this report.

The Committee is headed by Mr. Pankaj R. Patel, Chairman. Mr. Apurva S. Diwanji, Mr. Mukesh M. Patel, Dr. Sharvil P. Patel, and Mr. Nitin D. Parekh are the members of the Committee. The Committee met once during the year on October 29, 2021 and all the members remained present in the meeting.

V. Stock Option:

The Company does not have any stock option scheme for its Directors or employees. Moreover, there is no separate provision for payment of severance fees to the Directors.

The Company Secretary acts as the secretary to the Committee.

E. Risk Management Committee ("RMC"):

In compliance with the provisions of regulation 21 of the Listing Regulations, the Company has constituted a RMC and majority of the members of the Committee are Directors. The Company has a well-defined risk management framework to identify, recognize, monitor and mitigate risks and also identify business opportunities. Business risk evaluation and its management is a continuous process within the organization. The Company has framed a Risk Management Policy which includes the terms of reference and was lastly revised on July 29, 2021 and the weblink of the same is provided separately in this report.

The Committee reviewed the risks and extent of exposure and potential impact analysis was carried out by the Management. It was confirmed by the Managing Director and the Chief Financial Officer that the mitigation actions are monitored.

F. Corporate Social Responsibility ("CSR") and ESG Committee:

The terms of reference of CSR Committee includes, to frame the CSR Policy and review it from time to time to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act and Rules made thereunder and to provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

The Board at its meeting held on May 20, 2022 changed the nomenclature to CSR and ESG Committee.

The CSR Policy, as recommended by the CSR Committee is approved by the Board. The details with regard to CSR, its composition, Policy, Projects, etc. are provided in the Board's Report.

The composition of the CSR Committee as at March 31, 2022 and the details of members' participation at the meetings of the CSR Committee which were held on



May 27, 2021, August 11, 2021 and February 3, 2022 are as under:

Name of the Member	No. of Meetings held	No. of Meetings attended
Mr. Pankaj R. Patel, Chairman		3
Ms. Dharmishtaben N. Raval	3	3
Dr. Sharvil P. Patel		3

G. Buyback Committee:

The Board at its meeting held on May 20, 2022 constituted a Buyback Committee comprising of Mr. Pankaj R. Patel, Chairman, Dr. Sharvil P. Patel, Mr. Ganesh N. Nayak and Mr. Mukesh M. Patel as the committee members. Buyback Committee is authorized to carry out all such acts, deeds and things as may be deemed necessary and expedient for the buyback exercise.

H. Finance and Administration Committee:

The Board at its meeting held on August 5, 2020 constituted Finance and Administration Committee with Mr. Pankaj R. Patel as the Chairman and Dr. Sharvil P. Patel and Mr. Ganesh N. Nayak as the members. This committee looks after the businesses, which are broadly relating to financing i.e. borrowing of funds, making investments / providing loan / corporate guarantee to subsidiary companies and other business which are routine / administrative in nature and within the overall board approved directions and framework. The Company Secretary acts as the Secretary to the Committee. The Finance and Administration Committee met 13 (thirteen) times during the Financial Year ended on March 31, 2022 and all the members were present in the meetings.

Minutes of the Finance and Administration Committee are placed before the Board for information.

4. INDEPENDENT DIRECTORS' MEETING:

During the Financial Year ended on March 31, 2022, a separate meeting of IDs, without the attendance of the non-Independent Directors, was held on February 3, 2022 under the chairmanship of Mr. Apurva S. Diwanji, inter-alia, to discuss:

1. Evaluation of performance of non-Independent Directors and the Board as a whole,
2. Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors,
3. Evaluation of the quality, content and timelines of flow of information between the Management

and the Board that is necessary to effectively and reasonably perform its duties.

All the IDs were present at the meeting. The performance of the non-independent directors, the Board as a whole and Chairman of the Company was evaluated by the IDs, taking into account the views of executive directors and non-executive directors.

5. SUBSIDIARY COMPANIES:

The following are the material subsidiary companies of the Company:

1. Zydus Healthcare Limited ("ZHL")-unlisted company incorporated in India
2. Zydus Animal Health and Investments Limited ("ZAHL")-unlisted company incorporated in India
3. Zydus Wellness Limited ("ZWL")-listed company incorporated in India
4. Zydus Pharmaceuticals USA Inc. ("ZPUI")-unlisted company incorporated in USA

The financial statements of subsidiaries, in particular, the investments made by subsidiaries, if any, during the quarter are reviewed by the Audit Committee of the Board. The policy relating to material subsidiaries and dealing with related party transactions, as approved by the Board is provided separately in this report.

The Board minutes of Indian unlisted subsidiary companies along with a report on significant developments of the unlisted Indian subsidiary companies are periodically placed at the Board meeting of the Company, for information of the Board.

6. DISCLOSURES:

A. Related Party Transactions:

All transactions entered into with Related Parties as defined under section 2(76) of the Act and regulation 2(1) (zb) read with regulation 23 of the Listing Regulations during the Financial Year ended on March 31, 2022 were in the ordinary course of business and on an arm's length basis and do not attract the provisions of section 188 of the Act. There were no materially significant transactions with related parties during the Financial Year ended on March 31, 2022 which were in conflict of interest of the Company. Suitable disclosures, as required by the Ind AS 24, have been made in the notes to the Financial Statements.

The transactions by the Company with ZPUI are material related party transactions. However, as the criteria prescribed under regulation 23(5) of the Listing Regulations are met, approval of the members of the Company for material related party transactions is not required.

In compliance of regulation 24(1) of the Listing Regulations, the Company has appointed Ms. Dharmishtaben N. Raval, ID of the Company on the Board of ZHL and ZPUI. Provisions of regulation 24(1) of the Listing Regulations, are not applicable to ZWL and ZAHL.

The Board approved policy on related party transactions, which includes the clear threshold limits, beyond which a transaction will be considered as a material related party transaction, has been uploaded on the website of the Company and the weblink of the same is provided separately in this report.

During the Financial Year ended on March 31, 2022, there was no transaction between the Company and any of the promoter or promoter group of the Company, which holds 10% (ten percent) or more of shareholding of the Company.

B. Code of Conduct:

The Company has laid down a Code of Conduct for all the Board members and Senior Management. The Code of Conduct is available on the website of the Company and the weblink of the same is provided separately in this report.

All the Board Members and the Senior Management have affirmed compliance with the Code of Conduct for the year under review. The declaration of the Managing Director is given below:

To the members of Zydus Lifesciences Limited	
Sub.: Compliance with Code of Conduct	
I hereby declare that all the Board members and Senior Management have affirmed compliance with the Code of Conduct as adopted by the Board.	
Place: Ahmedabad Date : May 20, 2022	Dr. Sharvil P. Patel Managing Director DIN: 00131995

C. Prohibition of Insider Trading:

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations") as amended, the Company has framed a Code of Conduct to avoid any insider trading and it is applicable to all the promoters, directors, designated persons and their immediate relatives, connected persons and such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The Code lays down guidelines, which advises them on procedure to be followed and disclosures to be made, while dealing in the shares of the Company.

The Company uses a software to monitor the trading in the equity shares of the Company mainly during the trading window closure and the reversal of the transactions, by the designated persons. The Company also maintains the structured digital database as mandated by the PIT Regulations.

Shares held by the Directors as at March 31, 2022:

Name of the Directors	No. of shares held	Details of shares bought (+) / sold (-) during 2021-2022
Mr. Pankaj R. Patel ¹	76,64,71,434	Nil
Mr. Nitin R. Desai ²	4,42,000	Nil
Mr. Mukesh M. Patel	12,000	Nil
Ms. Dharmishtaben N. Raval	Nil	Nil
Mr. Apurva S. Diwanji	Nil	Nil
Mr. Bhadresh K. Shah	Nil	Nil
Dr. Sharvil P. Patel	15,000	Nil
Mr. Ganesh N. Nayak	2,51,120	Nil

1 Held also as a Karta of HUFs and Trustee of Family Trusts.

2 Held also as a Karta of HUF.

D. Whistle Blower Policy:

The Company has a whistle blower policy, as per the provisions of section 177(9) of the Act and regulation 22 of the Listing Regulations, to deal with any instance of fraud, mismanagement and to report instances of leakage of unpublished price sensitive information. The employees of the Company are free to report violations of any laws, rules, regulations and concerns about unethical conduct to the Audit Committee under this policy. No personnel has been denied access to the Audit Committee pertaining to Whistle Blower Policy. The policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination is done with any person for a genuinely raised concern. The Whistle Blower Policy is available on the website of the Company and the weblink of the same is provided separately in this report.

E. Management:

i. Management Discussion and Analysis Report:

Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms a part of this Report.

ii. Disclosure of material financial and commercial transactions:

As per the disclosures received from Senior Management, no material financial and commercial transactions that may have a potential conflict with the interest of the Company at large were reported to the Company during the Financial Year ended on March 31, 2022.

F. Disclosure regarding re-appointment of Directors:

The particulars about the brief resume and other information of the Directors seeking re-appointment as required to be disclosed under this section as per regulation 36(3) of the Listing Regulations are provided as an annexure to the notice convening the Twenty Seventh AGM.

G. Compliance by the Company:

The Company has complied with all the mandatory requirements of the Listing Regulations with the Stock Exchanges, regulations and guidelines of SEBI. Further, during last 3 (three) years, no penalties or strictures are imposed on the Company by any Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets. The equity shares of the Company were not suspended from trading at any time during the Financial Year ended on March 31, 2022.

The Company has adopted a compliance management tool which provides system-driven alerts to the respective owners for complying with the applicable laws and regulations. A compliance report along with the certificate of compliance by the Managing Director is placed before the Board on a quarterly basis.

H. CEO/CFO Certification:

The requisite certification from the Managing Director and the Chief Financial Officer required to be given under regulation 17(8) read with Part B of Schedule II of the Listing Regulations was placed before the Board of the Company.

I. Transfer of unclaimed / unpaid dividend amount and shares to Investor Education and Protection Fund ("IEPF"):

As per the provisions of sections 124 and 125 of the Act read with the Rules made thereunder, dividend, if not claimed for period of 7 (seven) consecutive years from the date of transfer to Unpaid Dividend Account of the Company, is liable to be transferred to IEPF.

Further, all the shares in respect of which dividend has remained unclaimed for 7 (seven) consecutive years or more from the date of transfer to Unpaid Dividend Account shall also be transferred to IEPF. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of members, the Company had sent reminders to the members to claim their dividend / shares before transfer of dividend / shares to IEPF. Notice in this regard was also published in the newspapers and the details of unclaimed dividends and members whose shares are liable to be transferred to IEPF, are uploaded on the website of the Company.

In light of the aforesaid provisions, 1,49,321 (One Lakh Forty Nine Thousand Three Hundred Twenty One) equity shares of 163 (One Hundred Sixty Three) members were transferred to IEPF for which the company has complied with the necessary requirements. Moreover, ₹ 4.98 mio. (Rupees Four Million Nine Hundred Eighty Thousand only) held by 2,715 (Two Thousand Seven Hundred Fifteen) members, being the unclaimed dividend, pertaining to the dividend for the Financial Year ended on March 31, 2014 was transferred to IEPF after giving notice to the members to claim their unpaid / unclaimed dividend. As at March 31, 2022, 1,408,854 (One Million Four Hundred Eight Thousand Eight Hundred Fifty Four) equity shares are lying with IEPF.

Status of unclaimed dividend and shares which are transferred to IEPF is as under:

Unclaimed dividend and shares	Status	Can it be claimed	Can be claimed from	Actions to be taken
Upto and including the Financial Year 2013-2014	Transferred to IEPF	Yes	Member to file online Form No. IEPF-5 and send the said form to the Nodal Officer of the Company at the Registered Office with complete documents	IEPF authority to pay the claimed shares and / or dividend amount based on the e-verification form filed by the Company and the documents submitted by the member
For the Financial Year 2014-2015 to 2020-2021	Amount is lying in the respective unclaimed dividend account	Yes	The Company / RTA	Member to make an application to the Company / RTA along with KYC documents

Details of date of declaration of dividend and the due date of transfer to IEPF is provided in the Note No. 6 of the Notice convening the Twenty Seventh AGM.

J. Credit Rating:

The Company has not obtained any credit rating during the Financial Year ended on March 31, 2022 for any debt instruments or fixed deposit programme. During the Financial Year ended on March 31, 2022, CRISIL Limited gave CRISIL AA+ / Stable and CRISIL A1+ (Reaffirmed) rating for long term and short term bank loan facilities respectively.

K. Utilization of funds:

The Company has not raised any funds through preferential allotment or qualified institutional placement as specified in the Listing Regulations.

L. Certificate from a Practicing Company Secretary:

The Company has obtained a certificate from Manoj Hurkat & Associates, Company Secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by Securities and Exchange Board of India / Ministry of Corporate Affairs or any such Statutory Authority. The said certificate is enclosed to this Corporate Governance Report.

M. Fees paid to the Statutory Auditors:

During the Financial Year ended on March 31, 2022, Deloitte Haskins & Sells LLP, the Statutory Auditors of the Company and also of Zydus Healthcare Limited, a wholly owned subsidiary company, were paid fees for audit and providing other services as per below details:

Sr. No.	Name of the Company	Fees paid		Total
		For Statutory Audit	For providing other services	
1.	Zydus Lifesciences Limited	10.40	1.50	11.90
2.	Zydus Healthcare Limited	3.40	0	3.40
Total		13.80	1.50	15.30

₹ in mio.

N. Recommendation of the Committees:

Recommendations of the Committees are submitted to the Board for approval and the Board has, after due deliberations, accepted all the recommendations.

O. Disclosure regarding Sexual Harassment of Women at Workplace:

The Company has adopted a policy on Sexual Harassment of Women at Workplace for prevention, prohibition and redressal of sexual harassment at workplace pursuant to the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.

Details of complaints received and resolved are provided in below table:

Sr. No.	Particulars	Number
1.	Number of complaints as at April 1, 2021	0
2.	Number of complaints received during the year	2
3.	Number of complaints resolved during the year	2
4.	Number of complaints pending as at March 31, 2022	0

- P. In preparing the annual financial statements of the Company, the treatment as prescribed in the Accounting Standards has been followed.
- Q. As per regulation 43A of the Listing Regulations, the Company has formulated Dividend Distribution Policy, which is approved by the Board and is uploaded on Company's website and the link for the same is provided separately in this report.
- R. The Board has approved the policy to determine materiality of an event or information and the same is available on the website of the Company and the link for the same is provided separately in this report. The details of the KMP authorized to determine materiality of an event or information and who is authorized to inform an event or information to the stock exchanges is also uploaded on the website of the Company and the link for the same is provided separately in this report.
- S. The Board at its meeting held on May 20, 2022 passed necessary resolution to transfer 2,85,655 (Two Lakh Eighty Five Thousand Six Hundred Fifty Five) equity shares held by 221 (Two Hundred Twenty One) members of the Company to the Unclaimed Suspense Account, after complying necessary provisions of the Listing Regulations.

8. GENERAL BODY MEETINGS:

- i. Details of last 3 (three) Annual General Meetings held are provided hereunder:

Year	Date and Time	Venue
2020-2021	Twenty Sixth AGM on August 11, 2021 at 10.00 a.m. (IST)	Through Video Conference / Other Audio Visual Means ("VC / OAVM")
2019-2020	Twenty Fifth AGM on August 27, 2020 at 11.00 a.m. (IST)	
2018-2019	Twenty Fourth AGM on August 9, 2019 at 10.00 a.m.	J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380015.

The Company will take necessary steps to demat and transfer of above mentioned shares to Unclaimed Suspense Account.

7. MEANS OF COMMUNICATION:

- The Company has 4,16,881 (Four Lakh Sixteen Thousand Eight Hundred Eighty One) members as on March 31, 2022. The main channel of communication to the members is through Annual Report, which includes, inter alia, the Board's Report, Management Discussion and Analysis Report, Corporate Governance Report and Audited Financial Statements.
- Annual General Meeting is a platform for face-to-face communication with the members. The Chairman, the Managing Director and other KMP respond to the specific queries of the members.
- The Company intimates to the Stock Exchanges all price sensitive matters which in its opinion are material and of relevance to the members and subsequently issues a Press Release on such matters, wherever necessary.
- The quarterly and half yearly results are published in widely circulating national and local daily 'Financial Express', in English and Gujarati. The results are also posted on the website of the Company www.zydustrife.com and the same are not sent individually to the members.
- The Company's results and official news releases are displayed on the Company's website www.zydustrife.com. The Company holds meetings and makes presentations to the institutional investors and analysts. The copies of such presentations and the transcripts of the phone calls are also made available on the Company's website. Information to the Stock Exchanges is being filed online on NEAPS / Digital Exchange Portal for National Stock Exchange of India Limited ("NSE") and online listing portal of BSE Limited ("BSE").

ii. **Special Resolutions passed in the previous 3 (three) Annual General Meetings:**

Sr. No.	Nature of Special Resolutions passed	Relevant provisions of the Act	AGM details
1.	Re-appointment of Ms. Dharmishtaben N. Raval, as an ID for the second term of 5 (five) consecutive years	Sections 149, 150 and 152 of the Act	Twenty Fourth AGM held on August 9, 2019
2.	Shifting of registered office of the company outside the local limits of the city	Section 12 of the Act	
3.	Re-appointment of Mr. Apurva S. Diwanji, as an ID for the second term of 5 (five) consecutive years	Sections 149, 150 and 152 of the Act	Twenty Sixth AGM held on August 11, 2021
4.	Payment of commission to Non-Executive Directors	Section 197 of the Act	

iii. **Approval of members through Postal Ballot:**

During the Financial Year ended on March 31, 2022, the Company has not sought or passed any resolution through Postal Ballot.

iv. **Extra Ordinary General Meetings:**

During the Financial Year ended on March 31, 2022, 2 (two) extra ordinary general meetings of the members of the Company were held as per the below details:

- June 11, 2021: to approve disposal of the Undertaking of Z AHL and
- February 18, 2022: to approve (i) change in name of the Company, (ii) necessary amendment in the Memorandum of Association and the Articles of Association and (iii) re-appointment of Dr. Sharvil P. Patel as the Managing Director of the Company for a further period of 5 (five) years.

9. GENERAL SHAREHOLDER INFORMATION:

i. **General Information:**

Date and Time of Twenty Seventh AGM	August 10, 2022 at 10.00 a.m. (IST)
Venue of Twenty Seventh AGM	VC / OAVM
Financial Year	April 1, 2021 to March 31, 2022
Record Date	Friday, July 29, 2022
Registered Office Address	Zydus Corporate Park, Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar), Near Vaishnodevi Circle, S G Highway, Ahmedabad-382481
Dividend Payment Date	On or around Tuesday, August 16, 2022
Compliance Officer	Mr. Dhaval N. Soni, Company Secretary
Website Address	www.zyduslife.com

ii. **Tentative financial calendar:**

First Quarter Results	On or before August 14, 2022
Half Yearly Results	On or before November 14, 2022
Third Quarter Results	On or before February 14, 2023
Audited Results for the year 2022-2023	On or before May 30, 2023

The trading window closure for the financial results shall be from the first day from the closure of quarter till the completion of 48 (forty eight) hours after the financial results becomes generally available.

iii. **Listing:**

The equity shares of the Company are listed on NSE and BSE.

iv. **Listing fees:**

The Company has paid the annual listing fees for the Financial Year 2022-2023 to the above Stock Exchanges.

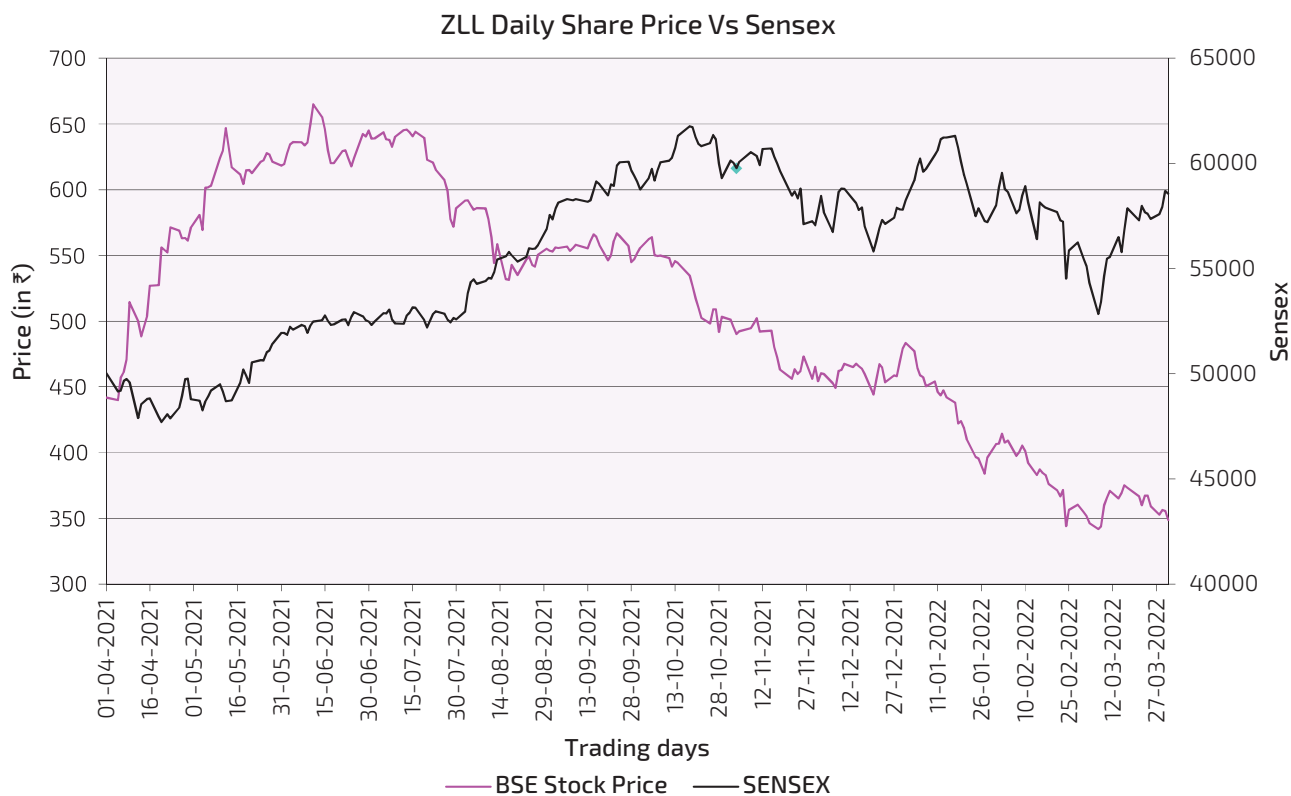
v. Stock Code and closing price:

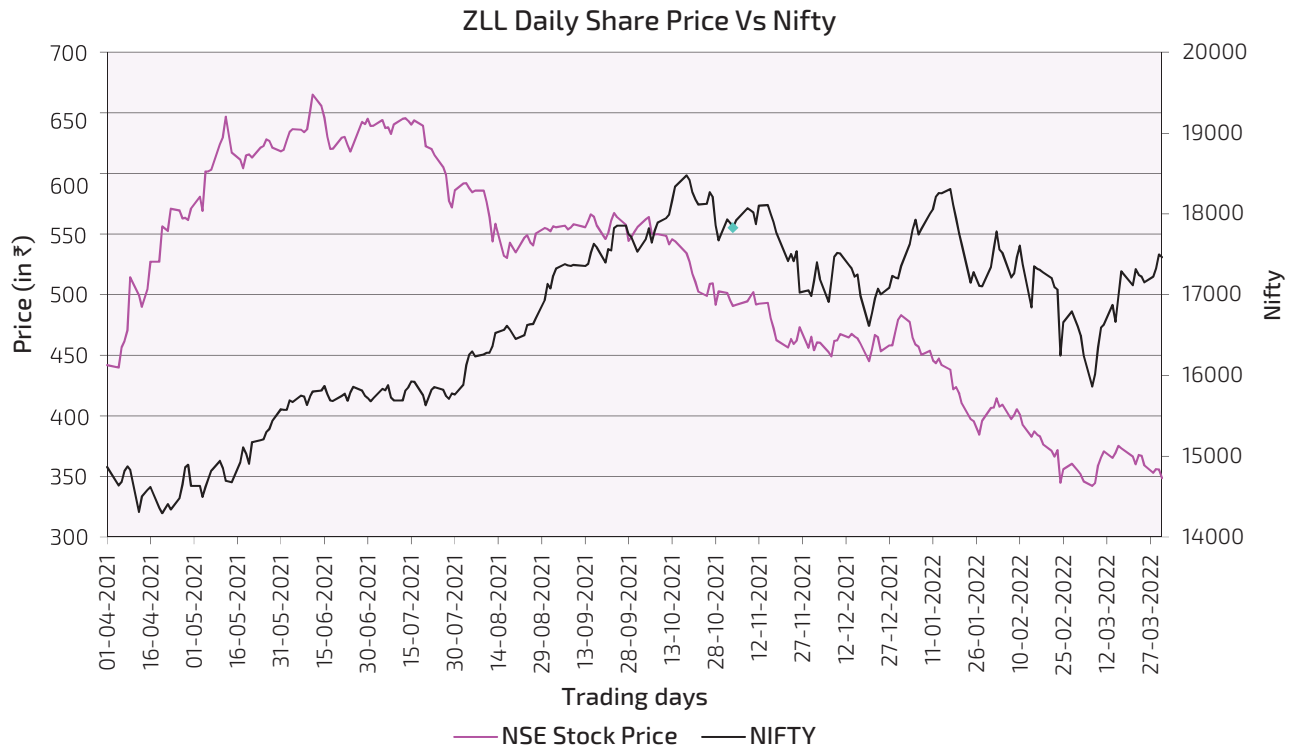
Name and Address of the Stock Exchange	Stock Code	Closing Price as on March 31, 2022 (₹)
The National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	Zydustrife	348.50
BSE Limited P J Towers, Dalal Street, Mumbai - 400001	532321	348.70

vi. Stock price and BSE Sensex data / NSE data:

Month	BSE Sensex	BSE			Nifty 50	NSE		
		High (₹)	Low (₹)	Av. Volume (In Nos.)		High (₹)	Low (₹)	Av. Volume (In Nos.)
Apr., 21	48782.36	605.00	434.35	753738	14631.10	605.00	434.45	14089370
May, 21	51937.44	673.70	565.20	631688	15582.80	673.70	565.50	10353341
Jun., 21	52482.71	668.85	603.60	306873	15721.50	668.90	603.60	4844330
Jul., 21	52586.84	655.00	570.95	261070	15763.05	651.90	570.45	3047431
Aug., 21	57552.39	596.60	522.00	295024	17132.20	596.80	521.55	4025003
Sept., 21	59126.36	570.50	533.45	202669	17618.15	570.90	533.55	1785498
Oct., 21	59306.93	572.90	489.75	146389	17671.65	573.20	489.45	1650151
Nov., 21	57064.87	510.00	451.45	132376	16983.20	509.95	451.00	2191972
Dec., 21	58253.82	486.45	436.75	114789	17354.05	486.55	436.30	2169356
Jan., 22	58014.17	487.00	380.40	149944	17339.85	486.85	380.25	2468690
Feb., 22	56247.28	420.50	343.00	104479	16793.90	420.55	342.85	1905129
Mar., 22	58568.51	379.00	331.00	68993	17464.75	378.60	331.55	1363519

vii. Stock Performance:





viii. Registrar and Share Transfer Agent:

Link Intime India Private Limited is the RTA of the Company.

For lodgment of any documents or any grievances / complaints, members may contact the Company's RTA at the following address:

Link Intime India Private Limited
(Unit: Zydus Lifesciences Limited)
506-508, Amarnath Business Centre-1,
Beside Gala Business Centre,
Near St. Xavier's College Corner, Off. CG Road,
Navrangpura, Ahmedabad-380006.
Telephone and Fax : 079-2646 5179
E-mail: ahmedabad@linkintime.co.in

ix. Share transfer system:

A Share Transfer Committee has been constituted to approve the transfers, transmission, issue of

duplicate shares, etc. The Company's RTA has adequate infrastructure to process the above matters.

As per the requirements of regulation 40(9) of the Listing Regulations, a Company Secretary in practice has certified due compliance of share transfer formalities on yearly basis.

x. Reconciliation of Share Capital Audit:

A practicing Chartered Accountant carried out audit in respect of each of the quarters in the Financial Year ended on March 31, 2022, to reconcile the total admitted capital with the Depositories and total issued and listed capital. The audit reports confirm that the total issued / paid up capital is in agreement with the total number of shares in physical mode and the total number of dematerialized shares held with depositories.

xi. Distribution of shareholding of equity shares as at March 31, 2022:

No. of Equity Shares	No. of Folios	% to total folios	No. of Shares	% of Shareholding
1 to 500	389751	93.49	25997187	2.54
501 to 1000	14601	3.50	11082708	1.08
1001 to 2000	6574	1.58	9574230	0.94
2001 to 3000	2367	0.57	5942781	0.58
3001 to 4000	1000	0.24	3548749	0.35
4001 to 5000	785	0.19	3619424	0.35
5001 to 10000	1016	0.24	7050679	0.69
10001 and above	787	0.19	956926842	93.47
Grand Total	416881	100.00	1023742600	100.00
Members in Physical Mode	1913	0.46	2471260	0.24
Members in Electronic Mode	414968	99.54	1021271340	99.76
Grand Total	416881	100.00	1023742600	100.00

xii. Categories of members as at March 31, 2022:

Category	No. of Shares Held		Total Shares	% of Shareholding
	Physical	Electronic		
Promoters' holding	0	766534434	766534434	74.88
Mutual Funds	0	56860174	56860174	5.55
Banks, FIs and Insurance Companies	5415	73980370	73985785	7.23
Foreign Institutional Investors / Foreign Portfolio Investor / Foreign Nationals	0	25938716	25938716	2.53
NRIs / OCBs	9450	3607858	3617308	0.35
Other Bodies Corporate	0	9975517	9975517	0.97
Central and State Government	0	768392	768392	0.08
Indian public	2454645	77520165	79974810	7.82
Others	1750	6085714	6087464	0.59
Total	2471260	1021271340	1023742600	100.00

xiii. Top ten equity members of the Company as at March 31, 2022:

Sr. No.	Name of the member	No. of equity shares held	% of Shareholding
1	Zydus Family Trust	766381434	74.86
2	Life Insurance Corporation of India	46528803	4.54
3	Life Insurance Corporation of India - P & Gs Fund	14140522	1.38
4	Kotak Flexicap Fund	12400000	1.21
5	PPFAS Mutual Fund	6029097	0.59
6	Government Pension Fund Global	5459887	0.53
7	Kotak Emerging Equity Scheme	3906443	0.38
8	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	3542166	0.35
9	Bajaj Allianz Life Insurance Company Limited	3324750	0.32
10	Vanguard Total International Stock Index Fund	3190782	0.31
	Total	864903884	84.48

xiv. Dematerialization of shares and liquidity:

The Company's equity shares are required to be compulsorily traded on the Stock Exchanges in dematerialized mode. Approximately 99.76% of the equity shares have been dematerialized. ISIN number for dematerialization of the equity shares of the Company is INE010B01027.

xv. Location of the company's manufacturing plants:

The details of the locations of the manufacturing plants of the Company are mentioned on the inside cover page of the Annual Report.

xvi. Address for correspondence:

Members' correspondence should be addressed to the RTA at the address mentioned above.

Members may also contact the Company Secretary, at the Registered Office of the Company for any assistance.

Mr. Dhaval N. Soni, Company Secretary and Compliance Officer

Telephone : 079-48040000; Ext: 338

E-mail : investor.grievance@zyduslife.com;
dhavalsoni@zyduslife.com

Members holding shares in the electronic mode should address all their correspondence to their respective depository participants.

xvii. Outstanding GDRs / ADRs / Warrants, its conversion date and likely impact on equity:

The Company has not issued any GDRs / ADRs / warrants or any convertible instruments.

xviii. Details of non-compliance:

There was no non-compliance during the Financial Year ended on March 31, 2022 and no penalties were imposed or strictures passed on the Company by any Stock Exchange, SEBI or any other Statutory Authority. A practicing company secretary has certified the compliance of the conditions of Corporate Governance and annexed the certificate with the Board's Report and sent the same to all the members of the Company. The certificate shall also be sent to NSE and BSE along with the annual report to be filed by the Company.

xix. Commodity price risk or foreign exchange risk and hedging activities:

The company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. For a detailed discussion on foreign exchange risk and hedging activities, please refer to Management Discussion and Analysis Report.

xx. Weblink of various policies of the Company:

List of various policies approved by the Board and their respective weblinks are provided in the below table:

Sr. No.	Policy / Weblink
1.	Dividend Distribution Policy https://www.zyduslife.com/public/pdf/Dividend_Distribution_Policy.pdf
2.	Archival Policy https://www.zyduslife.com/public/pdf/Archival_Policy_CHL.pdf
3.	Policy for Determination and Disclosure of Materiality of an Event or Information https://www.zyduslife.com/public/pdf/Policy_to_determine_materiality_of_an_event_or_information_revised_27_05_2021.pdf
4.	Familiarization Program for Independent Directors https://www.zyduslife.com/public/pdf/companypolicy/Familiarization-Program-for-Independent-Directors.pdf
5.	Human Rights Policy https://www.zyduslife.com/public/pdf/Human-Rights-Policy.pdf
6.	Code of Business Conduct and Ethics https://www.zyduslife.com/public/pdf/companypolicy/Code-of-Business-Conduct-and-Ethics.pdf
7.	Policy for monitoring Stationary https://www.zyduslife.com/public/pdf/Policy-for-monitoring-stationery-etc-as-per-SEBI-Circular-february-7-2019.pdf
8.	Corporate Social Responsibility Policy https://www.zyduslife.com/public/pdf/Revised_CSR_Policy_05_02_2021.pdf
9.	Policy for determination of Legitimate Purpose for sharing Unpublished Price Sensitive Information https://www.zyduslife.com/public/pdf/Policy-on-Determination-of-Legitimate-Purpose.pdf
10.	Policy on inquiry on leakage of Unpublished Price Sensitive Information https://www.zyduslife.com/public/pdf/Policy-on-inquiry-on-leakage-of-UPSI.pdf
11.	Policy on Preservation of Documents https://www.zyduslife.com/public/pdf/Policy_on_Preservation_of_Documents.pdf
12.	Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions https://www.zyduslife.com/public/pdf/Policy_on_Related_Party_Transactions.pdf

Sr. No.	Policy / Weblink
13.	Policy to determine Material Subsidiary https://www.zyduslife.com/public/pdf/Policy_to_determine_Material_Subsubsidiary_aug.pdf
14.	Public Policy https://www.zyduslife.com/public/pdf/Public-Policy.pdf
15.	Risk Management Policy https://www.zyduslife.com/public/pdf/Risk-Management-Policy-2021.pdf
16.	Environment Health and Safety Policy https://www.zyduslife.com/public/pdf/EHS-Policy-CHL-signed.pdf
17.	Whistle Blower Policy https://www.zyduslife.com/public/pdf/Whistle-Blower-Policy-May-29-2019.pdf
18.	Nomination and Remuneration Policy https://www.zyduslife.com/public/pdf/NRC_Policy_revised_27_05_2021.pdf
19.	Policy on Insider Trading https://www.zyduslife.com/public/pdf/companypolicy/Policy-on-Insider-Trading.pdf
20.	Policy on Prevention of Sexual Harassment of Women at Workplace https://www.zyduslife.com/public/pdf/POSH_Policy.pdf

xxi. Evolution of equity share capital:

Details of evolution of equity share capital since incorporation are provided in below table:

Sr. No.	Date of Allotment	No. of shares	Remarks
1	15.05.1995	200	Subscribers to the Memorandum of Association and the Articles of Association (Face Value ₹ 10/-)
2	11.06.1996	500	Further allotment (Face Value ₹ 10/-)
3	01.09.1997	1,48,84,223	Issued pursuant to Scheme of Arrangement and Amalgamation of erstwhile Cadila Group Companies to the shareholders of Transferor Companies (Face Value ₹ 10/-)
4	29.06.1998	74,42,553	Bonus Issue (2:1) (Face Value ₹ 10/-)
5	17.08.1998	8	Issued from Bonus Fraction (Face Value ₹ 10/-)
6	05.01.2000	4,46,55,368	Sub-division of equity share from Face Value of ₹ 10/- to ₹ 5/- (Accordingly 2,23,27,684 equity shares of ₹ 10/- each got converted into 4,46,55,368 equity shares of ₹ 5/- each)
7	29.02.2000 & 16.03.2000	1,48,86,000	Initial Public Offer (Face Value ₹ 5/-)
8	16.09.2003	32,65,486	Issue of equity shares to the shareholders of German Remedies Limited under the Scheme of Amalgamation in the ratio of 4:7. (Face Value ₹ 5/-)
9	05.09.2006	6,28,06,854	Bonus Issue (1:1) (Face Value ₹ 5/-)
10	07.02.2009	1,08,85,305	Allotment of 10,08,85,305 equity shares with simultaneous cancellation of 9,00,00,000 equity shares, pursuant to the Scheme of Arrangement with Zydus Wellness Limited and Zydus Hospitals and Medical Research Private Limited. Corresponding effect is addition of 1,08,85,305 equity shares. (Face Value ₹ 5/-)
11	09.04.2010	6,82,49,507	Bonus Issue (2:1) (Face Value ₹ 5/-)
12	08.10.2015	102,37,42,600	Sub-division of equity shares from Face Value of ₹ 5/- to ₹ 1/- (Accordingly 20,47,48,520 equity shares of ₹ 5/- each got converted into 102,37,42,600 equity shares of ₹ 1/- each.) As on date, 102,37,42,600 equity shares are issued and fully paid-up.

xxii. Compliance status of Corporate Governance requirements as prescribed in the Listing Regulations:

The compliance status of corporate governance requirements as prescribed under regulation 17 to 27 and 46(2)(b) to (i) of the Listing Regulations is provided in below table:

Regulation	Details of regulation	Complied (Yes / No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders' / Investors' Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of the listed company	Yes
24A	Secretarial Audit Report and Secretarial Compliance Report	Yes
25	Obligations of Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other corporate governance requirements	Yes
46(2)(b) to (i)	Website	Yes

10. NON-MANDATORY REQUIREMENTS OF REGULATION 27(1) AND PART E OF SCHEDULE II OF THE LISTING REGULATIONS:

- i. The Company has a Non-Executive Chairman and is entitled to maintain its office at the Company's expense.
- ii. The quarterly / half yearly results are not sent to the members. However, the same are published in the newspapers and are also posted on the Company's website.
- iii. The Company's financial statements for the Financial Year ended on March 31, 2022 do not contain any audit qualification.
- iv. The internal auditors report to the Audit Committee and they make quarterly presentations on their reports.
- v. The auditors' report on financial statements of the Company are with unmodified opinion.

Managing Director (MD) and Chief Financial Officer (CFO) Certification

To
The Board of Directors,
Zydu Lifesciences Limited

As required under the regulation 17(B) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the **Listing Regulations**") read with Schedule II part B of the Listing Regulations, we hereby certify that:

- (A) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief;
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify these deficiencies.
- (D) We have indicated to the auditors and the Audit committee:
1. significant changes in internal control over financial reporting during the year;
 2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Ahmedabad
Date : May 20, 2022

Sharvil P. Patel
Managing Director
DIN:00131995

Nitin D. Parekh
Chief Financial Officer

Corporate Governance Compliance Certificate

To,
The Members of
ZYDUS LIFESCIENCES LIMITED
(Earlier known as CADILA HEALTHCARE LIMITED)
(CIN: L24230GJ1995PLC025878)
"Zydus Corporate Park", Scheme No. 63,
Survey No. 536, Khoraj (Gandhinagar),
Near Vaishnodevi Circle, Sarkhej - Gandhinagar Highway,
Ahmedabad – 382481

We have examined all relevant records of **M/s. ZYDUS LIFESCIENCES LIMITED** ("**Company**") for the purpose of certifying compliance of the conditions of Corporate Governance as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**the Listing Regulations**") for the Financial Year ended March 31, 2022. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with all the mandatory conditions of the Corporate Governance, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and Paragraphs C, D and E of Schedule V of the Listing Regulations, during the year ended on March 31, 2022.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, MANOJ HURKAT & ASSOCIATES
Practicing Company Secretaries
FRN: P2011GJ025800

MANOJ R. HURKAT
Partner
FCS No.: 4287, C P No.: 2574
UDIN: F004287D000319921

Date : May 20, 2022
Place : Ahmedabad

Certificate of Non Disqualification of Directors

(Pursuant to Regulation 34(3) read with Clause 10(i) of Part C of Schedule V of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members
ZYDUS LIFESCIENCES LIMITED
(Earlier Known as CADILA HEALTHCARE LIMITED)
(CIN: L24230GJ1995PLC025878)
'Zydus Corporate Park', Scheme No. 63,
Survey No. 536, Khoraj (Gandhinagar),
Near Vaishnodevi Circle, Sarkhej - Gandhinagar Highway,
Ahmedabad – 382481

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **ZYDUS LIFESCIENCES LIMITED** ("Company") produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Clause 10(i) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

In our opinion and to the best of our information and according to the verifications (including Director Identification Number ("DIN") status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or such other statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Company
1.	Pankaj Ramanbhai Patel	00131852	15/05/1995
2.	Sharvil Pankajbhai Patel	00131995	01/08/1997
3.	Mukesh Mangalbhai Patel	00053892	01/08/1997
4.	Dharmistha Narendraprasad Raval	02792246	16/05/2014
5.	Nitin Raojibhai Desai	00140239	06/05/2011
6.	Apurva Shishir Diwanji	00032072	13/05/2016
7.	Ganesh Narayan Nayak	00017481	12/07/2017
8.	Bhadresh Kantilal Shah	00058177	06/12/2018

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

For, MANOJ HURKAT & ASSOCIATES
Practicing Company Secretaries
FRN: P2011GJ025800

MANOJ R. HURKAT
Partner
FCS No.: 4287, C P No.: 2574
UDIN: F004287D000319901

Date : May 20, 2022
Place : Ahmedabad

Business Responsibility Report:

The Directors present the Business Responsibility Report of the Company for the Financial Year ended on March 31, 2022.

SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identification Number ("CIN") of the Company	L24230GJ1995PLC025878
2.	Name of the Company	Zydus Lifesciences Limited
3.	Address of the Registered Office of the Company	Zydus Corporate Park, Scheme No. 63, Survey No. 536, Near Vaishnodevi Circle, Khoraj (Gandhinagar), S G Highway, Ahmedabad-382481.
4.	Website	www.zyduslife.com
5.	E-mail id	dhavalsoni@zyduslife.com
6.	Financial Year reported	2021-2022
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	
	Group	Class
	210	2100
		Sub Class
		21001
		Description
		Drugs and Pharmaceuticals
8.	Key Products / Services	The Company manufactures and markets a wide range of healthcare products.
9.	Locations where business activity is undertaken by the Company	The Company's businesses and operations are spread across different geographies. There are 29 (twenty nine) locations in India, where the manufacturing and research and development activities are carried out, details whereof are provided in this Annual Report. Details of business performance in Indian markets as well as International markets are reported as a part of the Management Discussion and Analysis Report, which forms a part of this Annual Report.
10.	Markets served by the Company-Local / State / National / International	As a global healthcare provider, the Company has a significant presence nationally and globally.

SECTION B : FINANCIAL DETAILS OF THE COMPANY

Paid-up Capital (₹)	1,024 mio.
Total turnover (sale of products) (₹)	75,900 mio.
Total profit after taxes (₹)	8,579 mio.

SECTION C : OTHER DETAILS

List of activities in which expenditure on CSR has been incurred and total spending as a percentage of profits after tax:

During the Financial Year ended on March 31, 2022, the Company was required to contribute an amount of ₹ 269.23 mio. [rounded off to ₹ 270.00 mio. (Rupees Two Hundred Seventy Million only)], being the 2% (two percent) of the average net profits of previous 3 (three) financial years, calculated as per the provisions of section 198 of the Companies Act, 2013 ("the Act").

Based on the recommendation of CSR Committee, Board of Directors ("the Board") at its meeting held on August 11, 2021, passed a resolution to set-off an amount of ₹ 100.00 mio. (Rupees One Hundred Million only) during the Financial Year ended on March 31, 2022 out of the total excess contribution of ₹ 531.00 mio. (Rupees Five Hundred

Thirty One Million only). Based on the recommendation of CSR Committee, Board at its meeting held on May 20, 2022 passed a resolution that out of the balance amount of ₹ 431.00 mio. (Rupees Four Hundred Thirty One Million only), an amount of ₹ 180.00 mio. (Rupees One Hundred Eighty Million only) will be set-off against the total amount to be contributed towards CSR during the Financial Year ending on March 31, 2023.

Taking into consideration the above, the Company has contributed an amount of ₹ 170.00 mio. (Rupees One Hundred Seventy Million only) towards CSR on education and healthcare, including preventive healthcare and infrastructure development. Annual Report on CSR activities is attached to the Board's Report.

EY has carried out CSR Impact Assessment on the CSR projects undertaken by the implementing agency. Said report is also attached to the CSR Report.

The Company is a global pharmaceutical Company with subsidiaries in India and across the globe. As on date, the Company has 15 (fifteen) Indian subsidiary companies, 26 (twenty six) foreign subsidiary and joint venture companies, 3 (three) joint venture companies and 1 (one) partnership firm. Names of the subsidiary and joint venture companies are provided in the statement of salient features of the subsidiary and joint venture companies under section 129(3) of the Act and Rules made thereunder, which forms a part of this Annual Report. Each of the Company's subsidiaries and joint venture companies abides by the law of the respective land, where it operates in a responsible manner. The subsidiary companies' Business Responsibility ("BR") initiatives are aligned with those of the Company.

SECTION D: BR INFORMATION

1. Details of Director responsible for BR:

a) Details of the Director responsible for implementation of the BR Policy / Policies:

Sr. No.	Particulars	Details
1	DIN (if applicable)	00131852
2	Name	Mr. Pankaj R. Patel
3	Designation	Chairman

b) Details of the BR head:

Sr. No.	Particulars	Details
1	DIN (if applicable)	Not Applicable
2	Name	Mr. Dhaval N. Soni
3	Designation	Company Secretary and Compliance Officer
4	Telephone Number	079-48040338
5	E-mail id	dhavalsoni@zyduslife.com

2. Principle-wise (as per NVGs) BR Policy / Policies:

Alignment to National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business ("NVGs")

NVG Principle	Chapter in BR Report	Page No.	Details in Annual Report
Business should conduct and govern themselves with Ethics, Transparency and Accountability.	Corporate Governance Structure	127	Yes
Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	Manufacturing and Quality	127	Yes
Businesses should promote the well-being of all employees.	Building people to build our business	127-128	Yes
Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	Zydus' Corporate Social Responsibility	128	Yes
Businesses should respect and promote human rights.	Human Rights	128	Yes
Businesses should respect, protect, and make efforts to restore the environment.	Environment, Health and Safety	128-129	Yes
Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	Policy advocacy	129	Yes
Business should support inclusive growth and equitable development.	Zydus Shrishti	129	Yes
Business should engage with and provide value to their customers and consumers in a responsible manner.	The Zydus Way of manufacturing and marketing healthcare products	129	Yes

3. Principle-wise (as per NVGs) BR Policy / Policies:

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

Sr. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for?	Y	Y	Y	Y	Y ¹	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy confirm to any national / international standards?	The Company is abiding by the various laws and while framing the policies, the Company takes into account the best practices and national and international standards.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director?	Y	Y ²	Y ³	Y	Y	Y	Y	Y	Y ⁴
All statutory policies are approved by the Board, whereas other policies are signed by the Managing Director or the respective business / unit head.										
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
The policies are implemented and being reviewed regularly by the respective business / unit head.										
6	Indicate the link for the policy to be viewed online?	www.zyduslife.com http://zydusehs								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, all the policies are communicated to the employees via internal portal, where each employee has an access and the external stakeholders through Company's website www.zyduslife.com .								
8	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Yes, respective business / unit heads attend to any grievances pertaining to their department and address the grievances. The Company has formed a Stakeholders' / Investors' Relationship Committee to redress any grievances of members. Product related grievances are also resolved by the respective business heads to which the product pertains to.								
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	The Company regularly carries out an independent audit on working of policy on environment. CSR expenditure is also audited by the Company's statutory auditors. EY has carried out the Impact Assessment on the CSR activities carried out by Zydus Foundation, the implementing agency.								

- The Policy is embedded in the Company's Code of Conduct, HR policies and various other HR practices.
- The Policy is embedded in the Company's Quality and Environmental Policies, which inter-alia relate to safe and sustainable products.
- The policies for the wellbeing of employees are for internal circulation to the employees and approved by the Managing Director.
- The Company fulfills the requirements by introducing innovative products and services. The Company has a customer complaint redressal system.

b) If answer to the questions at serial number 1 against any principle, is "No", please explain why:

Not Applicable



4. Governance related to BR:

- a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year.**

The BR performance of the Company is regularly monitored by the Company and reviewed by the Chairman and respective departmental heads. The Board reviews BR performance on an annual basis.

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

The Company publishes BR Report as a part of Annual Report. The Company publishes BR report annually. Report is posted on the Company's website-www.zydustrife.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

The Company firmly believes and adheres to transparent, fair and ethical governance practices.

The Board has approved a Code of Business Conduct and Ethics, which is applicable to all Board Members and employees of the Company. This is reviewed and reported annually. The Company also has a Whistle Blower Policy approved by the Board and is applicable to all employees of the Company. Further, our major suppliers are also required to agree and to confirm to the code of responsible business conduct. The Company has also prescribed a very detailed Code of Ethics for its employees and every employee has to sign and affirm its compliance. The Code of Business Conduct and Ethics for Directors and Senior Management and for employees are uploaded on the website www.zydustrife.com. The internal code of conduct is available on a portal, which is accessible to all employees.

Details relating to members' complaints are provided in the Corporate Governance Report, which is a part of this Annual Report. However, there was no stakeholder complaint during the reporting period with regard to ethics, bribery and corruption.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

All manufacturing facilities are inspected by the leading regulatory agencies of US, Brazil, India, etc. The approvals

are given after a systematic audit of Standard Operating Procedures ("SOPs") and protocols. Hence, utmost care is taken to ensure that products conform to stringent quality standards and bio-stability of products is submitted during the periodic audits.

The Company produces large number of diverse Formulations and Active Pharmaceutical Ingredients ("APIs") at various manufacturing sites and whereby ascertaining minimum consumption of energy, water and raw material, etc. on per unit of product made.

The Company has identified approved vendors for procuring materials and a SOP is in place for sourcing raw materials. This includes sample approvals, performance trials, plant audit and regulatory clearances. Majority of procurement of materials is from the approved manufacturers.

The Company procures goods and services from the registered/approved local and small producers for its manufacturing premises and offices. It improves operational efficiency and helps to save on transportation costs, inventory management and helps in risk mitigation. Adequate guidance and counselling are provided to them about system and procedures for regulated markets.

The waste generated from operations is either recycled, co - processed or disposed-off scientifically as per applicable Rules/Laws. Manufacturing facility has its own Effluent Treatment Plant, which ensures discharge of treated waste water meets the norms prescribed by respective pollution control boards/government agencies.

Important raw materials and solvents are recovered and recycled as per operating cost effectiveness programme. Solvent Recovery Plants at API manufacturing sites recover valuable solvents generated during the process of manufacturing and reuses solvents in the manufacturing process.

Principle 3 : Businesses should promote the well-being of all employees

1. **Please indicate the total number of employees and the number of contractual employees, women employees and permanent employees with disabilities:**

The Company does not discriminate among existing employees or during the process of recruitment on the grounds of religion, race, color, gender and disability. The Company provides equal opportunities to all employees. Key employee data as on March 31, 2022 are provided in the below table.

Sr. No.	Category of Employees	No. of Employees
1	Management staff	4,869
2	Marketing field staff	7,720
3	Others	10,884
4	Total	23,473
5	Contractual employees	12,054
6	Permanent Women employees	1,725
7	Permanent employees with disabilities	25

- The Company has a recognised employees association and 2.40% of our permanent employees are members of this association. The Company has not received any complaint relating to child labour, forced labour, involuntary labour. During the Financial Year ended on March 31, 2022, 2 (two) complaints relating to sexual harassment were received and both of them were resolved.
- The permanent and contractual employees at the Company's manufacturing sites, Research and Development Centre and other corporate offices are provided training on relevant Environment, Health and Safety ("EHS") aspects. Further, all other employees are given soft skill upgradation training to improve their skills as may be relevant to the respective functions. 82.90% employees were imparted training for skill development, EHS, etc. from the total strength.

Principle 4 : Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

The Company has mapped its internal and external stakeholders. The Company recognizes employees, business associates, joint venture partners, suppliers, vendors, NGOs, communities, members, regulatory authorities and other governmental bodies and intermediaries as our key stakeholders.

The Company has also identified disadvantaged, vulnerable and marginalized stakeholders. The Senior Management of the Company also devotes their time and resources to various agencies involved in education and health arena as a part of its CSR. The Company works actively to enhance the employability of youth, leading to income generation and economic empowerment in the marginalized section of the communities.

The shop floor workers in our manufacturing premises are from the economically disadvantaged groups and local communities. The Company invests in their skill development and upgradation, health check-ups and ensures other quality of life parameters. The Company has processes in place to ensure upholding of the rights of our employees and protect them against any form of discrimination.

Principle 5: Businesses should respect and promote human rights

The Company is committed to promote human rights and adheres to the same in spirit and deed. This extends to all areas of business operations and various stakeholder groups. The Company is also committed to provide equal opportunities at all levels, safe and healthy workplaces and protecting human health and environment. The Company strives to provide a non-discriminatory and harassment-free workplace for all its employees and contract staff. The Factories Act, 1948 provides the overarching framework for the Company's policy on human rights for the employees working at different factories. The Company provides equal opportunities to all its employees to improve their skills and capabilities. The Company also has a policy in place to foster a professional, open and trusting workplace and safeguard the interests of its women employees. The Company provides help to its neighbouring communities to improve their education, cultural, economic and social well-being. There were no stakeholder complaints in the reporting period pertaining to human rights.

Principle 6 : Business should respect, protect, and make efforts to restore environment

The Company is committed towards conservation of the environment and compliance with all applicable requirements related to EHS. The Company has been working beyond statutory compliance with a focus on the 4 Rs—Reduce, Reuse, Recycle and Recover for resources. The Company is engaging and involving every stakeholder across organisation for creating an EHS culture.

The Company continued to invest substantial resources towards sustaining and continuously improving standards of EHS. Competent EHS cell is in place at each facility to cater day-to-day EHS related activities.

To gratify the EHS value as a whole with systematic approach, 18 company units are accredited for ISO 14001:2015 and ISO 45001:2018.

Sustainable and Green initiatives like co-processing hazardous waste, disposal of E Waste to registered



recycler, plastic waste management obligation fulfilment as a brand owner made apart from standard working on water conservation, solvent recovery, energy efficient techniques, developing green belt, etc. Environment Management System and stringent monitoring are in place that cover online monitoring system for air emission and wastewater at units.

The Company is committed to achieve all the norms within the limits for emission and discharge of air and water, as may be laid down by the regulators. The Company complies with pollution and environmental laws.

For safety culture at work place, the Company has implemented H&S Programs like Internal Audit and Visible Felt Leadership, Emergency Response Preparedness ("EPR"), Process Safety Management ("PSM") and Behaviour Based Safety Management tools across the units.

To bring the information asymmetry amongst the EHS team members and all employees, the Company has created a dedicated Software-Zysafe, EHS portal system and they are updated time to time with relevant information/documents that includes EHS management-SOPs, guidelines, checklists, etc. The Company organizes EHS area group discussions at various levels as a part of awareness and updating work practices on regular basis.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

The Company is a member of following Chambers and Associations:

- A. Indian Pharmaceutical Alliance,
- B. Federation of Indian Chambers of Commerce and Industry ("FICCI"),
- C. The Indian Drug Manufacturers Association,
- D. Pharmexcil, Hyderabad; and
- E. Gujarat Chamber of Commerce & Industry ("GCCCI").

The Company interacts with Government / Regulatory Authorities on any public policy framework through apex industry institutions, like Indian Pharmaceutical Alliance, FICCI, The Indian Drug Manufacturers Association, Pharmexcil and GCCCI. The Company puts forth its views on new standards or regulatory developments pertaining to the pharmaceutical manufacturing industry, broadly in the areas concerning access to medicines, best practices, corporate governance, CSR, etc.

Principle 8 : Businesses should support inclusive growth and equitable development

The Company's CSR initiatives are spearheaded by Ramanbhai Foundation and Zydus Foundation. Under its flagship programme, Zydus Shrishti, the Company carries

out extensive work in the field of education, health and research. The focus through these programs is to develop communities, it forms a part of, inclusive education and creating knowledge platforms for the research community.

In line with its policy, the Company has contributed towards education, healthcare and social outreach programmes and a majority of its CSR spending in the previous financial year has been in these areas. To serve the needs of the patients and bring world class medical education to the rural interiors of Gujarat, the Company manages the Zydus Medical College and Hospital at Dahod. The Hospital till now has provided critical medical services to 7,488 COVID-19 patients who were admitted at the hospital and 35,962 OPD patients who have been treated for COVID so far since March, 2020. The services of the Hospital in the ongoing pandemic were lauded by the Ex Chief Minister of Gujarat, Shri Vijaybhai Rupani. The Zydus Medical College is the first Medical College to be set up in Dahod and 750 students are currently enrolled in the MBBS programme.

Reaching out to make a difference in the community, the Company also extends support to the School for Deaf and Mutes Society. Established in the year 1908, the school for the Deaf and Mutes Society is one of the oldest organizations working in the field of education and rehabilitation of persons with hearing, speech, and visual impairment.

Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner

There were no customer complaints received in the reporting period. There are no complaints or consumer cases pending as on the Financial Year ended on March 31, 2022. There are no cases filed by any customer or consumer against the Company as on the Financial Year ended on March 31, 2022.

The Company displays all product information on the product label, which is mandatory and as may be required for the use of the products by the consumers.

The Company shall never engage in any unfair trading practices, irresponsible advertising or anti-competitive behavior. The Company has various checks and balances to ensure that the business of the Company is done in a fair and responsible manner. This is the Zydus Way of manufacturing and marketing healthcare products.

The Company carries out the consumer satisfaction survey to measure the satisfaction among its consumers. A full-fledged Pharmacovigilance cell has been set up to track, review and act on any adverse event complaints. Post marketing surveillance is also carried out by the marketing team to track and monitor the efficacy and safety of the products.

Independent Auditor's Report

To The Members of Zydus Lifesciences Limited
(formerly known as Cadila Healthcare Limited)

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of Zydus Lifesciences Limited (formerly known as Cadila Healthcare Limited) ("the **Company**"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information in which are incorporated the Returns of the branch located at Philippines, audited by the branch auditor.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the report of the branch auditor on separate financial statements of the branch referred to in the Other Matters section below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the **Act**") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("**Ind AS**") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ("**SAs**"). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("**ICAI**") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditor in terms of their report referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p>Assessment of impairment of non-current investments in equity shares / common stock of, unsecured loans given to and corporate guarantees given on behalf of certain subsidiaries namely, Zydus International Private Limited (ZIPL) and Zydus Worldwide DMCC (ZWDMCC), having aggregate carrying values of ₹ 6,148 million, ₹ 11,058 million and ₹ 7,582 million respectively as at March 31, 2022, in the standalone financial statements and also unsecured loans of ₹ 18,153 million given by certain subsidiaries to ZWDMCC and its subsidiaries where the Company would have indirect exposure by way of investment in such other subsidiaries. [refer Notes 2(19{A (b) (v)}), 4, 5, 13, 28 (b), 42 to the standalone financial statements]</p> <p>As at March 31, 2022, the net worth of these two subsidiary groups, have been substantially eroded. The Company has accordingly tested the carrying value of investments in and loans to these subsidiary groups for impairment.</p> <p>The Company's evaluation of impairment of its investments in and expected credit loss of the loans given involves comparison of their recoverable amounts to their corresponding carrying amounts.</p> <p>The recoverable amounts is determined based on value in use, which represents the present value of the estimated future cash flows expected to arise from the use of the asset group comprising each cash generating unit. There is a risk that the aforesaid assets will be impaired if these cash flows do not meet the Company's expectations.</p> <p>In addition to significance of the amounts involved, management's assessment process is complex as it involves significant judgement in determining the assumptions to be used to estimate the forecasted cash flows, principally relating to long-term revenue growth rates, perpetual growth rate and the discount rate used.</p> <p>Further the Company's evaluation of expected loss, if any, arising out of the corporate guarantees given on behalf of the said entities involves judgement in determining the probability of defaults by the said entities in fulfilling their contractual obligations.</p> <p>Considering the materiality of the amounts involved together with the inherent subjectivity related to principal assumptions and probability of defaults by the said entities in fulfilling their contractual obligations, investments, loans and corporate guarantees in these two subsidiary groups have been considered as a key audit matter.</p>	<p>The audit procedures performed by us included the following:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of the internal controls relating to review of impairment assessment process, including those over the forecast of future revenues growth rate, terminal values and the selection of the appropriate discount rate. • Evaluated the reasonableness of the key estimates by comparing the forecasts to historical revenues, growth rate etc. • With the assistance of our internal fair value specialists, evaluated the reasonableness of the valuation methodology, discount rate and perpetual growth rate used in the computation of value-in use assessment. • Performed sensitivity analysis around the key estimates to ascertain the extent of change in those assumptions that either individually or collectively would be required for the investments and loans tested to be impaired. • Tested the mathematical and clerical accuracy of the model to conclude that the model is accurately calculating the value in use, using the appropriate methodology.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Business Responsibility Report, Board's Report and Corporate Governance Report, but does not include the consolidated financial statements, the standalone financial statements and our audit reports thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

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

In preparing the standalone financial statements, 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.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its branch to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the entity and its business activities included in the standalone financial statements of which we are the independent auditors.



For the other entity and its business activities included in the standalone financial statements, which have been audited by the branch auditor, such branch auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

- We did not audit the financial statements of the branch included in the standalone financial statements of the Company whose financial statements reflect total assets of ₹ 9.82 million as at December 31, 2021 and total revenue of ₹ 0.13 million for the year ended on that date, as considered in the standalone financial statements. The financial statements of this branch have been audited by the branch auditor whose report has been furnished to us. The reporting date of the branch at December 31, 2021 is different from the reporting date of the Company. No adjustments have been made by the Management of the Company in respect of financial information of the branch for the periods from January

1, 2021 to March 31, 2021 and January 1, 2022 to March 31, 2022 as the amounts are insignificant. Our opinion in so far as it relates to the amounts and disclosures included in respect of this branch and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid branch, is based solely on the report of such branch auditor.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by section 143(3) of the Act, based on our audit and on the consideration of the report of the branch auditor on the separate financial statements of the branch, referred to in the Other Matters section above, we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - 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 report on the accounts of the branch office of the Company audited under section 143(8) of the Act by the branch auditor has been sent to us and has been properly dealt with by us in preparing this report.
 - d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
 - e) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
 - f) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of section 164(2) of the Act.
 - g) 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of

the Company's internal financial controls over financial reporting.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of their knowledge and belief, and as stated in Note 51 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("**Intermediaries**"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("**Ultimate Beneficiaries**") or provide any guarantee,

security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management has represented, that, to the best of their knowledge and belief, and as stated in Note 51 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("**Funding Parties**"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("**Ultimate Beneficiaries**") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.
- As stated in Note 29 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.
- 2. As required by the Companies (Auditor's Report) Order, 2016 ("the **Order**") issued by the Central Government in terms of section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh K. Hiranandani

Partner

(Membership No. 36920)

(UDIN: 22036920AJHBWJ1893)

Place: Ahmedabad
Date : May 20, 2022

Annexure “A” to the Independent Auditor’s Report

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

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING 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 Zydus Lifesciences Limited (formerly known as Cadila Healthcare Limited) (“the Company”) as of March 31, 2022 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,

2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh K. Hiranandani
Partner
(Membership No. 36920)
(UDIN: 22036920AJHBWJ1893)

Place : Ahmedabad
Date : May 20, 2022

Annexure “B” to the Independent Auditor’s Report

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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use-assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) Some of the Property, Plant and Equipment, capital work-in-progress and right-of-use assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and

Equipment, capital work-in-progress and right-of-use assets at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(i) (c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress, according to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

Description of property	As at the Balance sheet date		Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
	Gross carrying value (₹ In Million)	Carrying value in the financial statements (₹ In Million)				
Leasehold Land 20,057 Sq. mtr.	29.07	24.74	Alidac Pharmaceuticals Limited (APL)	No	April 1, 2019	Pursuant to a scheme of amalgamation, the properties and other assets and liabilities of APL, LPL and ZTL, were transferred to and vested in the Company with effect from April 1, 2019. According to the information and explanations given to us, the company is in the process of transferring the title of such properties in its name.
Freehold Building 7,457.59 Sq. mtr.	150.11	112.41	APL	No	April 1, 2019	
Freehold Building 8,320 Sq. mtr.	337.00	211.65	Liva Pharmaceuticals Limited (LPL)	No	April 1, 2019	
Leasehold Land 18,435.97 Sq. mtr.	70.06	61.52	Zydus Technologies Limited (ZTL)	No	April 1, 2019	
Freehold Building 4,397.12 Sq. mtr.	981.03	882.20	ZTL	No	April 1, 2019	

(i) (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(i) (e) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the

Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories, except for (goods-in-transit and stocks held with third parties), were physically

verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in transit, the goods have been received subsequent to the year end, where not received, confirmations have been obtained from the custodian. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with the books of account.

- (ii) (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns and statements comprising stock statements, book debt statements, statements on ageing analysis of the debtors and other stipulated financial information filed by the Company with such banks are in agreement with the unaudited books of account of the Company, of the respective quarters.
- (iii) The Company has made investments in, provided guarantee and granted loans, secured or unsecured, to companies, firms and Limited Liability Partnerships during the year, in respect of which:

- (a) The Company has provided loans and stood guarantee during the year and details of which are given below:

	Loans (₹ In million)	Guarantees (₹ In million)
A. Aggregate amount granted / provided during the year:		
- Subsidiaries (wholly owned)	17,181	5,533
B. Balance outstanding as at balance sheet date in respect of above cases:		
- Subsidiaries (wholly owned)	23,941	15,769

The Company has not provided any advances in the nature of loans or security to any other entity during the year.

- (b) The investments made, guarantees provided and the terms and conditions of the grant of all the above-mentioned loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) During the year, loans aggregating ₹ 12,880 million fell due from a subsidiary and has been renewed or extended, details of which is as follows:

Name of the party	Aggregate amount of existing loans renewed or extended (₹ In million)	Percentage of the aggregate to the total loans granted during the year
Zydus Pharmaceuticals (USA) Inc. [USA]	12,880	75%

- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- (iv) The Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies

(Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under section 148(1) of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) In respect of statutory dues:

Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount involved (₹ In million)	Unpaid Amount (₹ In million)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2009-10 to 2011-12, 2014-15 and 2016-17 to 2018-19	64.89	53.79
		Income Tax Appellate Tribunal	2013-14, 2014-15 2015-16 and 2016-17	108.38	17.25
		Assessing Officer	2011-12 and 2018-19	0.75	0.03
Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	2008-09 to 2014-15	96.30	92.10
Central Excise Act, 1944	Excise Duty	Supreme Court	2006-07 and 2007-08	4.14	4.14
		Customs, Excise and Service Tax Appellate Tribunal	1994-95, 1995-96 and 2004-05 to 2017-18	1,588.38	1525.79
		Appellate Authority upto Commissioner's level	2005-06 to 2010-11, 2013-14, 2014-15 to 2017-18	12.09	11.61
Customs Act, 1962	Custom Duty	Customs, Excise and Service Tax Appellate Tribunal	2008-09, 2015-16 and 2017-18 to 2019-20	137.93	133.06
Central Goods and Service Tax, 2017	Central Goods and Service Tax	Appellate Authority upto Commissioner's level	2017-18	6.06	5.47
Sales Tax Act and VAT Laws	Value Added Tax	Supreme Court Tribunal	2006-07, 2009-10 to 2016-17	23.44	18.81
		Appellate Authority upto Commissioner's level	2009-10 to 2015-16, 2017-18	84.65	76.15
	Sales Tax	Appellate Authority upto Commissioner's level Tribunal	1998-99 and 2005-06 to 2007-08	4.48	4.28
	Central Sales Tax	Tribunal	1997-98, 2006-07 and 2012-13 to 2013-14	0.12	0.11
		Appellate Authority upto Commissioner's level	2002-03, 2006-07, 2008-09 to 2010-11, 2012-13, 2013-14 and 2015-16	9.58	4.33

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures.
- (x) (a) The Company has not issued any securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with sections 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto December 2021 and the draft of the internal audit report where issued after the balance sheet date covering the period January 1, 2022 to March 31, 2022 for the period under audit.
- (xv) In our opinion, during the year, the Company has not entered into any non-cash transactions with any of its directors or directors of its subsidiaries and joint ventures or persons connected with such directors and hence provisions of section 192 of the Act, are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (d) The Group has more than one CIC as part of the Group. There are two CIC forming part of the Group.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due

within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Act or special account in compliance with the provisions of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh K. Hiranandani

Partner

(Membership No. 36920)

(UDIN: 22036920AJHBWJ1893)

Place : Ahmedabad
Date : May 20, 2022

Balance Sheet as at March 31, 2022

₹-Million

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS:			
Non-Current Assets:			
Property, Plant and Equipment	3 [A]	42,966	40,645
Capital work-in-progress	3 [D]	3,840	5,705
Goodwill	3 [B]	-	-
Other Intangible Assets	3 [B]	393	475
Financial Assets:			
Investments	4	48,975	64,706
Loans	5	9,178	9,127
Other Financial Assets	6	1,805	1,673
Other Non-Current Assets	7	1,436	1,439
Assets for Current Tax [Net]	8	433	549
		109,026	124,319
Current Assets:			
Inventories	9	19,263	17,800
Financial Assets:			
Investments	10	2,205	-
Trade Receivables	11	22,777	19,038
Cash and Cash Equivalents	12 [A]	2,945	1,459
Bank Balances other than Cash and Cash Equivalents	12 [B]	81	81
Loans	13	14,763	14,358
Other Current Financial Assets	14	1,169	2,020
Other Current Assets	15	5,171	5,561
		68,374	60,317
Total		177,400	184,636
EQUITY AND LIABILITIES:			
Equity:			
Equity Share Capital	16	1,024	1,024
Other Equity	17	131,381	126,421
		132,405	127,445
Non-Current Liabilities:			
Financial Liabilities:			
Borrowings	18	1,264	6,095
Lease Liabilities	47	8	21
Other Financial Liabilities	19	149	107
Provisions	20	1,764	1,685
Deferred Tax Liabilities [Net]	21	1,531	1,073
		4,716	8,981
Current Liabilities:			
Financial Liabilities:			
Borrowings	22	25,362	33,064
Lease Liabilities	47	13	19
Trade Payables:			
Dues to Micro and Small Enterprises	23	4	20
Dues to other than Micro and Small Enterprises	23	10,648	11,240
Other Financial Liabilities	24	2,330	2,044
Other Current Liabilities	25	863	713
Provisions	26	827	666
Current Tax Liabilities [Net]	27	232	444
		40,279	48,210
Total		177,400	184,636
Significant Accounting Policies	2		
Notes to the Financial Statements	1 to 53		

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board

Pankaj R. Patel
Chairman
DIN: 00131852

Rajesh K. Hiranandani
Partner
Mumbai
May 20, 2022

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995
Ahmedabad
May 20, 2022

Statement of Profit and Loss for the year ended March 31, 2022

₹-Million

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
INCOME:			
Revenue from Operations	30	79,819	77,800
Other Income	31	1,787	893
Total Income		81,606	78,693
EXPENSES:			
Cost of Materials Consumed	32	26,290	23,464
Purchases of Stock-in-Trade	33	2,881	1,533
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	34	(469)	(1,483)
Employee Benefits Expense	35	12,049	11,473
Finance Costs	36	1,349	709
Depreciation and Amortisation Expense	3 [C]	4,787	4,511
Other Expenses	37	19,887	19,726
Total Expenses		66,774	59,933
Profit before Exceptional Items and Tax		14,832	18,760
Less: Exceptional Items	46	3,193	1,875
Profit before Tax		11,639	16,885
Less : Tax Expense:			
Current Tax	38	2,602	3,033
Deferred Tax	38	458	(910)
		3,060	2,123
Profit for the year		8,579	14,762
OTHER COMPREHENSIVE INCOME [OCI]:			
Items that will not be reclassified to profit or loss:			
Re-measurement gains/ [losses] on post employment defined benefit plans		9	(186)
Income tax effect on above		(2)	33
		7	(153)
Net Gain on Fair Value through OCI [FVTOCI] Equity Securities		35	234
Income tax effect on above		-	-
		35	234
Other Comprehensive Income for the year [Net of Tax]		42	81
Total Comprehensive Income for the year [Net of Tax]		8,621	14,843
Basic & Diluted Earnings per Equity Share [EPS] [in Rupees]	39	8.38	14.42
Significant Accounting Policies	2		
Notes to the Financial Statements	1 to 53		

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board

Pankaj R. Patel
Chairman
DIN: 00131852

Rajesh K. Hiranandani
Partner
Mumbai
May 20, 2022

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Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995
Ahmedabad
May 20, 2022

Cash Flow Statement for the year ended March 31, 2022

₹-Million

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before tax	11,639	16,885
Adjustments for:		
Depreciation and Amortisation expense	4,787	4,511
Exceptional Items	3,193	1,875
Net Loss on disposal of Property, Plant and Equipment [Net of gain]	31	38
FVTPL gain/ profit on sale of investments [Net]	(55)	(26)
Interest income	(316)	(374)
Gain on valuation of Forward Contract value related to investment in a Joint Venture	(123)	276
Dividend income	(438)	(474)
Interest expenses	943	670
Effect of foreign exchange movement in borrowings	(30)	(1,039)
Trade receivables written off	-	5
Expected credit loss on trade receivables [net]	7	20
Allowance for doubtful advances [net of written back]	9	144
Provision for employee benefits	112	241
Other provisions	137	247
Total	8,257	6,114
Operating profit before working capital changes	19,896	22,999
Adjustments for:		
[Increase]/ Decrease in trade receivables	(3,584)	5,471
[Increase] in inventories	(1,463)	(3,853)
Decrease/ [Increase] in other assets	1,504	(1,914)
[Decrease]/ Increase in trade payables	(922)	2,309
Increase/ [Decrease] in other liabilities	376	(102)
Total	(4,089)	1,911
Cash generated from operations	15,807	24,910
Direct taxes paid [Net of refunds]	(2,700)	(2,638)
Net cash from operating activities	13,107	22,272
B CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment and intangible assets	(5,418)	(5,286)
Proceeds from sale of property, plant and equipment and intangible assets	250	20
Purchase of non current investments - other than subsidiaries	(2,600)	(3,336)
Proceeds from redemption of non current investments in subsidiaries/ joint ventures	15,102	1,035
Proceeds from sale/ redemption of non current investments in others	2	12
FVTPL gain/ profit [net] on sale of investments which are considered as part of cash and cash equivalents	55	26
Loans to subsidiaries	(5,076)	(27,414)
Repayment of loans by subsidiaries	4,685	6,910
Interest received	244	524
Dividend received	438	371
Net cash from/ [used in] investing activities	7,682	(27,138)

Cash Flow Statement for the year ended March 31, 2022

₹-Million

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
C CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from non current borrowings	4,963	-
Repayment of non current borrowings	(11,233)	(9,764)
Current borrowings [Net - (repayment)/ taken]	(6,233)	13,015
Lease liabilities [Net]	(22)	(23)
Interest paid	(987)	(661)
Dividends paid	(3,586)	(14)
Net cash [used in]/ from financing activities	(17,098)	2,553
Net increase/ [decrease] in cash and cash equivalents	3,691	(2,313)
Cash and cash equivalents at the beginning of the year	1,540	3,853
Cash and cash equivalents at the end of the year	5,231	1,540

Notes to the Cash Flow Statement

- The above cash flow statement has been prepared under the "Indirect method" as set out in Ind AS-7 "Statement of Cash Flows".
- All figures in brackets are outflows.
- Previous year's figures have been regrouped wherever necessary.
- Cash and cash equivalents at the end [beginning] of the year include ₹ 48 [₹ 49] Millions not available for immediate use.

- Cash and cash equivalents comprise of:

₹-Million

	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
a Cash on Hand	1	2	2
b Balances with Banks	3,025	1,538	3,851
c Investment in Liquid Mutual Funds	2,205	-	-
d Total	5,231	1,540	3,853

- Change in liability arising from financing activities:

₹-Million

	Borrowings		
	Non-Current [Note-18]	Current [Note-22]	Total
As at March 31, 2020	22,513	14,434	36,947
Cash flow	(9,764)	13,015	3,251
Foreign exchange movement	(549)	(490)	(1,039)
As at March 31, 2021	12,200	26,959	39,159
Cash flow	(6,270)	(6,233)	(12,503)
Foreign exchange movement	389	(419)	(30)
As at March 31, 2022	6,319	20,307	26,626

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board

Pankaj R. Patel
Chairman
DIN: 00131852

Rajesh K. Hiranandani
Partner
Mumbai
May 20, 2022

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995
Ahmedabad
May 20, 2022

Statement of Changes in Equity for the year ended March 31, 2022

a EQUITY SHARE CAPITAL:

	No. of Shares	₹-Million
Equity Shares of ₹ 1/- each, Issued, Subscribed and Fully Paid-up:		
As at March 31, 2020	1,023,742,600	1,024
As at March 31, 2021	1,023,742,600	1,024
As at March 31, 2022	1,023,742,600	1,024

b OTHER EQUITY:

₹-Million

	Reserves and Surplus				Items of OCI	Total
	Capital Reserve	International Business Development Reserve	General Reserve	Retained Earnings	FVTOCI Reserve	
As at March 31, 2020	20,379	2,000	15,525	73,360	314	111,578
Add: Profit for the year	-	-	-	14,762	-	14,762
[Less]/ Add: Other Comprehensive Income	-	-	-	(153)	234	81
Total Comprehensive Income	-	-	-	14,609	234	14,843
As at March 31, 2021	20,379	2,000	15,525	87,969	548	126,421
Add: Profit for the year	-	-	-	8,579	-	8,579
Add: Other Comprehensive Income	-	-	-	7	35	42
Total Comprehensive Income	-	-	-	8,586	35	8,621
Transactions with Owners in their capacity as owners:						
Dividends	-	-	-	(3,585)	-	(3,585)
Less: Adjustment pursuant to extension of the term of investment in preference shares of a joint venture	-	-	-	(76)	-	(76)
As at March 31, 2022	20,379	2,000	15,525	92,894	583	131,381

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board

Pankaj R. Patel
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DIN: 00131852

Rajesh K. Hiranandani
Partner
Mumbai
May 20, 2022

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Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995
Ahmedabad
May 20, 2022

Notes to the Financial Statements

NOTE: 1-COMPANY OVERVIEW:

Zydus Lifesciences Limited [formerly known as Cadila Healthcare Limited] ["the **Company**"], a Company limited by shares, incorporated and domiciled in India, operates as an integrated pharmaceutical company with business encompassing the entire value chain in the research, development, production, marketing and distribution of pharmaceutical products. The product portfolio of the Company includes Active Pharmaceutical Ingredients [API] and human formulations. The Company's shares are listed on the National Stock Exchange of India Limited [NSE] and BSE Limited. The registered office of the Company is located at "Zydus Corporate Park", Scheme No. 63, Survey No. 536, Near Vaishnodevi Circle, Khoraj [Gandhinagar], Sarkhej-Gandhinagar Highway, Ahmedabad - 382481.

These financial statements were authorised for issue in accordance with a resolution passed by the Board of Directors at their meeting held on May 20, 2022.

NOTE: 2-SIGNIFICANT ACCOUNTING POLICIES:

A The following note provides list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

1 Basis of preparation:

A The financial statements are in compliance with the Indian Accounting Standards [Ind AS] notified under the Companies [Indian Accounting Standards] Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013.

B The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair values at the end of the reporting periods:

- I Derivative financial instruments
- II Certain financial assets and liabilities measured at fair value [refer accounting policy regarding financial instruments]
- III Defined benefit plans
- IV Contingent consideration

2 Use of Estimates:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These

estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments are provided below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Critical accounting judgments and estimates:

A Property, Plant and Equipment:

Property, Plant and Equipment represent a large proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Management reviews the residual values, useful lives and methods of depreciation of Property, Plant and Equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their lives, such as changes in technology.

B Impairment of property, plant and equipment, goodwill and investments:

Significant judgments are involved in determining the estimated future cash flows from the Investments, Property, Plant and Equipment and Goodwill to determine their value in use to assess whether there is any impairment in their carrying amounts as reflected in the financials.

C Employee benefits:

Significant judgments are involved in making judgments about the life expectancy, discounting rate, salary increase, etc. which significantly affect the working of the present value of future liabilities on account of employee benefits by way of defined benefit plans.

Notes to the Financial Statements

Note: 2-Significant Accounting Policies - Continued:

D Product expiry claims:

Significant judgments are involved in determining the estimated stock lying in the market with product shelf life and estimates of likely claims on account of expiry of such unsold goods lying with stockists.

E Taxes on Income:

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions and probability of utilisation of Minimum Alternate Tax [MAT] Credit in future.

F Contingent liabilities:

Significant judgments are involved in determining whether there is a possible obligation, that may, but probably will not require an outflow of resources.

3 Foreign Currency Transactions:

The Company's financial statements are presented in Indian Rupees [₹], which is the functional and presentation currency.

A The transactions in foreign currencies are translated into functional currency at the rates of exchange prevailing on the dates of transactions.

B Foreign Exchange gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities [except as covered in "E" below] denominated in foreign currencies at the year end exchange rates are recognised in the Statement of Profit and Loss.

C Foreign exchange differences regarded as adjustments to borrowing costs are presented in the Statement of Profit and Loss within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis.

D Investments in foreign subsidiaries and other companies are recorded in ₹ [functional currency] at the rates of exchange prevailing at the time when the investments were made.

E The net gain or loss on account of exchange rate differences either on settlement or on translation of long term foreign currency monetary items recognised on or after April 1, 2016 is recognised as income or expense in the Statement of Profit and Loss in the year in which they arise. The

net gain or loss on long term foreign currency monetary items recognised in the financial statement for the period ended on March 31, 2016 is recognised under "Foreign Currency Monetary Items Translation Difference Account" [FCMITDA], except in case of foreign currency loans taken for funding of Property, Plant and Equipment, where such difference is adjusted to the cost of respective Property, Plant and Equipment. This is as per the exemption given under Ind AS 101 to defer/ capitalize exchange differences arising on long-term foreign currency monetary items. The FCMITDA is amortised during the tenure of loans but not beyond March 31, 2020.

4 Revenue Recognition:

A The following are the significant accounting policies related to revenue recognition under Ind AS 115:

a Sale of Goods:

Revenue from the sale of goods is recognized as revenue on the basis of customer contracts and the performance obligations contained therein. Revenue is recognised at a point in time when the control of goods or services is transferred to a customer. Control lies with the customer if the customer can independently determine the use of and consume the benefit derived from a product or service. Revenues from product deliveries are recognised at a point in time based on an overall assessment of the existence of a right to payment, the allocation of ownership rights, the transfer of significant risks and rewards and acceptance by the customer.

The goods are often sold with volume discounts/ pricing incentives and customers have a right to return damaged or expired products. Revenue from sales is based on the price in the sales contracts, net of discounts, sales tax/ Goods and Services Tax [GST]. When a performance obligation is satisfied, Revenue is recognised with the amount of the transaction price [excluding estimates of variable consideration] that is allocated to that performance obligation. Historical experience, specific contractual terms and future expectations of sales returns are used to estimate and provide for damage or expiry claims. No element of financing is deemed

Notes to the Financial Statements

Note: 2-Significant Accounting Policies - Continued:

present as the sales are made with the normal credit terms as per prevalent trade practice and credit policy followed by the Company.

b Service Income:

Service income is recognised as per the terms of contracts with the customers when the related services are performed as per the stage of completion or on the achievement of agreed milestones and are net of indirect taxes, wherever applicable.

B The specific recognition criteria described below must also be met before revenue is recognised:

a Interest Income:

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate [EIR]. EIR is the rate that discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

b Dividend:

Dividend income is recognised when the Company's right to receive the payment is established.

c Other Income:

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

5 Government Grants:

A Government grants are recognised in accordance with the terms of the respective grant on accrual basis considering the status of compliance of prescribed conditions and ascertainment that the grant will be received.

B Government grants related to revenue are recognised on a systematic and gross basis in the Statement of Profit and Loss over the period during which the related costs intended to be compensated are incurred.

C Government grants related to assets are recognised as income in equal amounts over the expected useful life of the related asset.

D When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities. However, in accordance with the exemption as per Ind AS 101, for such loans that existed on April 1, 2015, the Company uses the previous GAAP carrying amount of the loan at the date of transition as the carrying amount of the loan.

6 Taxes on Income:

Tax expenses comprise of current and deferred tax.

A Current Tax:

a Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b Current tax items are recognised in correlation to the underlying transaction either in profit or loss, OCI or directly in equity.

B Deferred Tax:

a Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

b Deferred tax liabilities are recognised for all taxable temporary differences.

c Deferred tax assets are recognised for all deductible temporary differences including the carry forward of unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible

Notes to the Financial Statements

Note: 2-Significant Accounting Policies - Continued:

temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized.

- d The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
- e Deferred tax assets and liabilities are measured at the tax rates [and tax laws] that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.
- f Deferred tax items are recognised in correlation to the underlying transaction either in profit or loss, OCI or directly in equity.
- G Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.
- h Minimum Alternate Tax [MAT] paid in a year is charged to the Statement of Profit and Loss as current tax.
- i The Company recognizes MAT credit available as an asset only when and to the extent there is a convincing evidence of actual utilisation of such credit and also based on historical experience that the company will pay normal income tax during the specified period i.e. the period for which MAT Credit is allowed to be carried forward. Such asset, if recognised, is reviewed at each Balance sheet date and the carrying amount is written down to the extent there is no longer a convincing evidence that the Company will be liable to pay normal tax during the specified period.

7 Property, Plant and Equipment:

- A Freehold land is carried at historical cost, less impairment, if any. All other items of Property, Plant and Equipment are stated at historical cost of acquisition/ construction less accumulated

depreciation and impairment loss. Historical cost [Net of Input tax credit received/ receivable] includes related expenditure and pre-operative & project expenses for the period up to completion of construction/ assets are ready for its intended use, if the recognition criteria are met and the present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset, if the recognition criteria for a provision are met. Effective from April 1, 2007, the foreign exchange loss or gain arising on long term foreign currency monetary items that existed in the financial statements for the period ended on March 31, 2016, attributable to Property, Plant and Equipment is adjusted to the cost of respective Property, Plant and Equipment. Subsequent costs are included in the asset's 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.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to the statement of profit and loss during the reporting period in which they are incurred, unless they meet the recognition criteria for capitalisation under Property, Plant and Equipment.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Property, Plant and Equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, Plant and Equipment.

- B Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognised separately as independent items and are depreciated over their estimated economic useful lives.
- C Depreciation on tangible assets is provided on "straight line method" based on the useful lives as prescribed under Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. However, management

Notes to the Financial Statements

Note: 2-Significant Accounting Policies - Continued:

reviews the residual values, useful lives and methods of depreciation of Property, Plant and Equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods.

The estimated useful lives are as follows:

Asset Class	No. of years
Leasehold Land	Over the period of lease
Buildings	30 to 60 Years
Plant and Equipment	3 to 15 Years
Furniture, Fixtures and Office Equipments	5 to 10 Years
Vehicles	8 Years

- D Depreciation on impaired assets is calculated on the reduced values, if any, on a systematic basis over their remaining useful lives.
- E Depreciation on additions/ disposals of the property, plant and equipment during the year is provided on pro-rata basis according to the period during which assets are used.
- F Where the actual cost of purchase of an asset is below ₹ 10,000/-, the depreciation is provided @ 100%.
- G Capital work in progress is stated at cost less accumulated impairment loss, if any.
- H An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the Statement of profit and loss when the asset is derecognised.

8 Intangible Assets:

- A Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.
- B Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of profit and loss in the period in which the expenditure is incurred.
- C Trade Marks, Technical Know-how Fees and other similar rights are amortised over their estimated useful lives of ten years.

- D Capitalised cost incurred towards purchase/ development of software is amortised using straight line method over its useful life of four years as estimated by the management at the time of capitalisation.
- E Intangible assets with infinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of infinite life is reviewed annually to determine whether the infinite life continues to be supportable. If not, the change in useful life from infinite to finite is made on a prospective basis.
- F An item of intangible asset initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the Statement of profit and loss when the asset is derecognised.

9 Research and Development Cost:

- A Expenditure on research and development is charged to the Statement of Profit and Loss of the year in which it is incurred.
- B Capital expenditure on research and development is given the same treatment as Property, Plant and Equipment.

10 Borrowing Costs:

- A Borrowing costs consist of interest and other borrowing costs that are incurred in connection with the borrowing of funds. Other borrowing costs include ancillary charges at the time of acquisition of a financial liability, which is recognised as per EIR method. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.
- B Borrowing costs that are directly attributable to the acquisition/ construction of a qualifying asset are capitalised as part of the cost of such assets, up to the date the assets are ready for their intended use. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

11 Impairment of Non Financial Assets:

The Property, Plant and Equipment and Intangible assets are tested for impairment whenever events or changes

Notes to the Financial Statements

Note: 2-Significant Accounting Policies - Continued:

in circumstances indicate that the carrying amount may not be recoverable. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, the assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets [cash generating units]. Non-financial assets other than Goodwill that suffered an impairment loss are reviewed for possible reversal of impairment at the end of each reporting period. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

12 Inventories:

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- A Raw Materials, Stores & Spare Parts, Packing Materials, Finished Goods, Stock-in-Trade and Work-in-Progress are valued at lower of cost and net realisable value.
- B Cost [Net of Input tax credit availed] of Raw Materials, Stores & Spare Parts, Packing Materials, Finished Goods, and Stock-in-Trade is determined on Moving Average Method.
- C Costs of Finished Goods and Work-in-Progress are determined by taking material cost [Net of Input tax credit availed], labour and relevant appropriate overheads based on the normal operating capacity, but excluding borrowing costs.

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

Write down of inventories to net realisable value is recognised as an expense and included in "Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade" and "Cost of Material Consumed" in the relevant note in the Statement of Profit and Loss.

13 Cash and Cash Equivalents:

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

14 Leases:

The Company has adopted Ind AS 116 "Leases" which is effective for an annual period beginning on or after from April 1, 2019. The following is the significant accounting policy related to Ind AS 116.

The adoption of this Standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting Ind AS 116 being recognised in equity as an adjustment to the opening balance of retained earnings for the previous year.

For contracts in place at the date of initial application, the Company has elected to apply the definition of lease from Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17. The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being April 1, 2019. At this date, the Company has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition. On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term. For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under Ind AS 17 immediately before the date of initial application.

As a lessee:

For any new contracts entered into on or after April 1, 2019, the Company considers whether a contract is, or

Notes to the Financial Statements

Note: 2-Significant Accounting Policies - Continued:

contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset [the underlying asset] for a period of time in exchange for consideration'.

Measurement and recognition of leases as a lessee:

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date [net of any incentives received].

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments [including in substance fixed], variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes to the in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero. The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in financial liabilities.

As a lessor:

As a lessor the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

15 Provisions, Contingent Liabilities and Contingent Assets:

A Provisions are recognised when the Company has a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. A disclosure of contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates. Contingent assets are not recognised but are disclosed separately in financial statements.

B If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

16 Provision for Product Expiry Claims:

Provisions for product expiry related costs are recognised when the product is sold to the customer. Initial recognition is based on historical experience. The initial estimate of product expiry claim related costs is revised annually.

17 Employee Benefits:

A Short term obligations:

Liabilities for wages and salaries, including leave encashment that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured by the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

B Long term employee benefits obligations:

a Leave Wages and Sick Leave:

The liabilities for earned leave and sick leave are not expected to be settled wholly within

Notes to the Financial Statements

Note: 2-Significant Accounting Policies - Continued:

12 months period after the end of the period in which the employees render the related service. They are therefore, measured at the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period using the projected unit credit method as determined by actuarial valuation, performed by an independent actuary. The benefits are discounted using the market yields at the end of reporting period that have the terms approximating to the terms of the related obligation. Gains and losses through re-measurements are recognised in Statement of profit and loss.

b Defined Benefit Plans:

i Gratuity:

The Company operates a defined benefit gratuity plan with contributions to be made to a separately administered fund through Life Insurance Corporation of India through Employees Group Gratuity Plan. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit plan obligation at the end of the reporting period less the fair value of the plan assets. The liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to the market yields at the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discounting rate to the net balance of the defined benefit obligation and the fair value of plan assets. Such costs are included in employee benefit expenses in the statement of Profit and Loss. Re-measurement gains or losses arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the period in which they occur directly in "other comprehensive

income" and are included in retained earnings in the Statement of changes in equity and in the balance sheet.

Re-measurements are not reclassified to profit or loss in subsequent periods.

The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- I Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and
- II Net interest expense or income.

ii Company administered Provident Fund:

In case of a specified class of employees, monthly contributions of such employees and the company, are deposited to Cadila Healthcare Limited Employees' Provident Fund Trust. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. Contributions to such provident fund are recognised as employee benefits expenses when they are due in the Statement of profit and loss.

c Defined Contribution Plans - Provident Fund Contribution:

Employees of the Company, other than covered in point (ii) above, receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The company has no further obligation to the plan beyond their monthly contributions. Such contributions are accounted for as defined contribution plans and are recognised as employee benefits expenses when they are due in the Statement of profit and loss.

Notes to the Financial Statements

Note: 2-Significant Accounting Policies - Continued:

C Employee Separation Costs:

The compensation paid to the employees under Voluntary Retirement Scheme is expensed in the year of payment.

18 Dividends :

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as liability on the date of declaration by the Company's Board of Directors.

19 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.

A Financial Assets:

a Initial recognition and measurement:

All financial assets are recognised initially at fair value plus transaction costs, in the case of financial assets not recorded at fair value through profit or loss, that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place [regular way trades] are recognised on the settlement date, i.e., the date that the Company settles to purchase or sell the asset.

b Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in five categories:

i Debt instruments at amortised cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held with an objective of collecting contractual cash flows
- Contractual terms of the asset give rise on specified dates to cash flows that are "solely payments of principal and interest" [SPPI] on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest

rate [EIR] method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of profit and loss.

ii Debt instruments at fair value through other comprehensive income [FVTOCI]:

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The asset is held with objectives of both collecting contractual cash flows and selling the financial assets
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii Debt instruments and derivatives at fair value through profit or loss [FVTPL]:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI is classified as at FVTPL. Instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

iv Equity instruments:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the

Notes to the Financial Statements

Note: 2-Significant Accounting Policies - Continued:

Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company has made such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment.

However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

v Investments in subsidiaries and joint ventures:

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint ventures, the differences between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries and joint ventures at the Previous GAAP carrying amounts as their deemed costs on the date of transition to Ind AS i.e., April 1, 2015.

c Derecognition:

A financial asset [or, where applicable, a part of a financial asset] is primarily derecognised [i.e. removed from the Company's balance sheet] when:

- I The rights to receive cash flows from the asset have expired, or
- II The Company has transferred its rights to receive cash flows from the asset or has

assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either [a] the Company has transferred substantially all the risks and rewards of the asset or [b] the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. When the Company has transferred the risks and rewards of ownership of the financial asset, the same is derecognised.

d Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss [ECL] model for measurement and recognition of impairment loss on trade receivables or any contractual right to receive cash or another financial asset. The Company follows 'simplified approach' for recognition of impairment loss allowance.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it requires the Company to recognise the impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a

Notes to the Financial Statements

Note: 2-Significant Accounting Policies - Continued:

subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive [i.e., all cash shortfalls], discounted at the original EIR. ECL impairment loss allowance [or reversal] is recognized as expense/income in the Statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount. For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics.

B Financial Liabilities:

a Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b Subsequent measurement:

Subsequently all financial liabilities are measured at amortised cost, using EIR method. Gains and losses are recognised in Statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit and loss.

c Derecognition:

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

d Embedded derivatives:

An embedded derivative is a component of a hybrid [combined] instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative.

Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of profit and loss, unless designated as effective hedging instruments.

C Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs

Notes to the Financial Statements

Note: 2-Significant Accounting Policies - Continued:

when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model as per Ind AS 109.

D Offsetting of financial instruments:

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

20 Derivative Financial Instruments and Hedge Accounting:

Derivatives are recognised initially at fair value and subsequently at fair value through profit and loss.

Fair value hedges:

The Company applies fair value hedge accounting for changes in fair value of trade receivables [non-derivative financial assets] attributable to foreign currency risk. The Company designates certain derivative as well as non-derivative foreign currency financial liabilities [hedging instrument] to hedge the risks of changes in fair value of trade receivables attributable to the movement in foreign exchange rates. The Company documents at the time of designation, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking such hedging transactions. The Company also documents its assessment, both at the inception of the hedge and on an ongoing basis, of whether the risk management objectives are met with the hedging relationship.

Changes in fair values of both hedging instruments and hedged items are recognised in foreign exchange gains / losses as a part of other income or other expenses as the case may be. If the hedge no longer meets the criteria for hedge accounting, this accounting treatment is discontinued.

21 Fair Value Measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is

based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a In the principal market for the asset or liability, or
- b In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing 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:

- a Level 1 — Quoted [unadjusted] market prices in active markets for identical assets or liabilities
- b Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c 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.

22 Non-Current Assets held for Sale:

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather

Notes to the Financial Statements

Note: 2-Significant Accounting Policies - Continued:

than through continuing use. This condition is regarded as met only when the sale of asset and disposal group is highly probable. The Management must be committed to the sale, which should be expected to qualify for recognition as completed sale within one year from the date of classification.

Non-current assets [and disposal groups] classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss before tax from discontinued operations in the statement of profit and loss.

23 Earnings per Share:

Basic earnings per share are calculated by dividing the net profit or loss [excluding other comprehensive income] for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits [consolidation of shares] that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss [excluding other comprehensive income] for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

B RECENT ACCOUNTING PRONOUNCEMENTS:

The Ministry of Corporate Affairs ["MCA"] notifies new standard or amendments to the existing standards under Companies [Indian Accounting Standards] Rules as issued from time to time. On March 23, 2022, the MCA

amended the Companies [Indian Accounting Standards] Amendment Rules, 2022, applicable from April 1, 2022, as below:

a Ind AS 16 – Property, Plant and Equipments:

The amendments clarifies, the excess of net sale proceeds of items produced over the cost of testing, if any, should not be recognised in the statement of profit or loss but deducted from the directly attributable costs considered as part of cost of an item of PPE. The Company does not expect the amendment to have any material impact on its financial statements.

b Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

The amendments clarifies the nature of costs that can be directly related to the contract for the purpose of assessing the contract is onerous. The Company does not expect the amendment to have any material impact in its financial statements.

c Ind AS 103 – Business Combination:

The amendment clarifies that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards [Conceptual Framework] issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any impact on its financial statements.

d Ind AS 109 – Financial Instruments:

The amendment clarifies the nature of fees which can be included by the entity for the purpose of assessing the '10 percent' test for derecognition of financial liabilities. The Company does not expect the amendment to have any material impact in its financial statements.

Notes to the Financial Statements

NOTE: 3-PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS & CAPITAL WORK-IN-PROGRESS:

[A] Property, Plant and Equipment:

	Freehold Land	Leasehold Land *	Buildings*	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
₹-Million								
Gross Block:								
As at March 31, 2020	2,003	465	12,050	46,606	1,448	679	1,017	64,268
Additions	1	-	1,074	3,109	50	73	55	4,362
Disposals	-	-	-	(101)	-	(50)	-	(151)
Other adjustments	-	-	(13)	9	-	-	(8)	(12)
As at March 31, 2021	2,004	465	13,111	49,623	1,498	702	1,064	68,467
Additions	207	-	1,284	5,516	54	87	41	7,189
Disposals	-	-	(1)	(473)	(3)	(60)	(3)	(540)
Other adjustments	-	-	-	-	-	-	-	-
As at March 31, 2022	2,211	465	14,394	54,666	1,549	729	1,102	75,116
Depreciation and Impairment:								
As at March 31, 2020	-	52	2,242	20,010	550	362	408	23,624
Depreciation for the year	-	4	381	3,583	101	61	160	4,290
Disposals	-	-	-	(66)	-	(27)	-	(93)
Other adjustments	-	-	-	2	-	-	(1)	1
As at March 31, 2021	-	56	2,623	23,529	651	396	567	27,822
Depreciation for the year	-	5	424	3,834	106	65	153	4,587
Disposals	-	-	-	(217)	(3)	(36)	(3)	(259)
Other adjustments	-	-	-	-	-	-	-	-
As at March 31, 2022	-	61	3,047	27,146	754	425	717	32,150
Net Block:								
As at March 31, 2021	2,004	409	10,488	26,094	847	306	497	40,645
As at March 31, 2022	2,211	404	11,347	27,520	795	304	385	42,966

Notes to the Financial Statements

NOTE: 3-PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS & CAPITAL WORK-IN-PROGRESS - Continued:

[B] Intangible Assets:

₹-Million

	Goodwill	Other Intangible Assets				Total
		Brands/ Trademarks	Computer Software	Commercial Rights	Technical Know-how	
Gross Block:						
As at March 31, 2020	102	10	1,105	13	144	1,272
Additions	-	-	170	-	80	250
Disposals	-	-	-	-	-	-
As at March 31, 2021	102	10	1,275	13	224	1,522
Additions	-	-	118	-	-	118
Disposals	-	-	-	-	-	-
As at March 31, 2022	102	10	1,393	13	224	1,640
Amortisation and Impairment:						
As at March 31, 2020	102	10	684	8	124	826
Amortisation for the year	-	-	216	1	4	221
Disposals	-	-	-	-	-	-
As at March 31, 2021	102	10	900	9	128	1,047
Amortisation for the year	-	-	189	1	10	200
Disposals	-	-	-	-	-	-
As at March 31, 2022	102	10	1,089	10	138	1,247
Net Block:						
As at March 31, 2021	-	-	375	4	96	475
As at March 31, 2022	-	-	304	3	86	393

Notes:

- Buildings include ₹ 0.02 [As at March 31, 2021: ₹ 0.02] Million being the value of unquoted shares held in cooperative societies.
- Additions of ₹ 940 [Previous Year: ₹ 1,119] Million in research assets during the year are included in "Additions" under the respective heads of Gross Block of Tangible assets as above.
- Other adjustments include adjustments on account of exchange rate differences.
- Legal titles of the immovable properties acquired pursuant to Scheme of Amalgamation of Zydus Technologies Limited, Alidac Pharmaceutical Limited, Liva Pharmaceutical Limited and Dialforhealth India Limited with the Company are in the process of being transferred in the name of the Company, refer Note-48 for details.

[*] Includes right of use assets, refer Note-47 for detailed breakup.

Notes to the Financial Statements

NOTE: 3-PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS & CAPITAL WORK-IN-PROGRESS - Continued:

[C] Depreciation and Amortisation Expenses:

	₹-Million	
	As at March 31, 2022	As at March 31, 2021
Depreciation	4,587	4,290
Amortisation	200	221
Total	4,787	4,511

[D] Ageing of Capital-work-in progress:

	₹-Million	
	As at March 31, 2022	As at March 31, 2021
A Projects in progress:		
a Less than 1 year	2,093	2,510
b 1 - 2 years	530	1,265
c 2 - 3 years	1,026	845
d More than 3 years	191	1,085
Total Capital Work-in-Progress	3,840	5,705

Project execution plans are modulated on the basis of capacity requirement assessment annually and all the projects are executed based on rolling annual plan.

NOTE: 4-INVESTMENTS [NON-CURRENT]:

	Face Value [*]	Nos. [**]	₹-Million	
			As at March 31, 2022	As at March 31, 2021
Investments in Subsidiaries and Joint Ventures:				
Investments in Equity Instruments			26,935	30,191
Investments in Preference Shares			51	98
Investments in Equity Instruments via Optionally Convertible Preference Shares			18,381	33,446
			45,367	63,735
Investments - Others:				
Investments in Equity Instruments			898	860
Investments in Preference Shares			9	9
Investments in Bonds			2,695	102
Investments in Debentures			6	-
			3,608	971
Total			48,975	64,706
A Details of Investments in Subsidiaries and Joint Ventures:				
Investment in Equity Instruments [Valued at cost]:				
Subsidiary Companies [Quoted]:				
In fully paid-up equity shares of Zydus Wellness Limited [#]	10	36,647,509	12,320	12,320

Notes to the Financial Statements

NOTE: 4-INVESTMENTS [NON-CURRENT] - Continued :

₹-Million

	Face Value [*]	Nos. [**]	As at March 31, 2022	As at March 31, 2021
Subsidiary Companies [Unquoted]:				
In fully paid-up equity shares of:				
Zydus Healthcare Limited	100	2,161,742	4,709	4,709
Zydus Animal Health and Investments Limited	10	900,000	9	9
Zydus Foundation	10	50,000	1	1
Zydus International Private Limited [\$] [Refer Note-46]	€ 1.1251	62,340,456	4,643	4,643
Zydus Lanka (Private) Limited	LKR 10	3,706,304	15	15
Zydus Healthcare Philippines Inc.	PHP 10	24,965,120	351	351
Zydus Worldwide DMCC [\$]	AED 1,000	84,480	1,505	1,505
Sentynl Therapeutics Inc	\$0.0001	100	2,038	2,038
Zydus Healthcare (USA) LLC	\$1	200,000	12	12
Zydus Pharmaceuticals Limited	10	10,000,000	100	100
Zydus Strategic Investments Limited	10	900,000	9	9
Zydus VTEC Limited	10	7,500,000	75	75
Dialforhealth Unity Limited [₹ 275,000]	10	27,500	-	-
Dialforhealth Greencross Limited	10	250,000	3	3
			13,470	13,470
Less: Provision for impairment			(3)	(3)
			13,467	13,467
In fully paid-up Common Stock of:				
Zydus Pharmaceuticals (USA) Inc.	\$1	2,300,000	519	519
Zydus Novelttech Inc. [USA]	No par value	8,188	3,461	3,461
			3,980	3,980
Less: Provision for impairment [Note-46]			(3,193)	-
			787	3,980
Joint Venture Companies [Unquoted]:				
In fully paid-up equity shares of:				
Zydus Hospira Oncology Private Limited	10	7,500,000	75	75
Zydus Takeda Healthcare Private Limited	10	10,000,000	100	100
Bayer Zydus Pharma Private Limited	10	12,499,999	125	125
			300	300
Deemed investment:				
Equity Component of Bayer Zydus Pharma Private Limited			61	124
			26,935	30,191
Investment in Preference Shares [Valued at amortised cost]:				
Joint Venture Company [Unquoted]:				
In fully paid-up, 5%, Redeemable Non-Cumulative Preference Shares of Bayer Zydus Pharma Private Limited [4,000,000 shares redeemed during the year]	10	6,000,000 [10,000,000]	51	98

Notes to the Financial Statements

NOTE: 4-INVESTMENTS [NON-CURRENT] - Continued :

₹-Million

	Face Value [*]	Nos. [**]	As at March 31, 2022	As at March 31, 2021
Investment in Equity Instruments via Optionally Convertible Redeemable Preference Shares				
[Valued at cost]:				
Subsidiary Companies:				
Zydus Healthcare Limited [100,650,000 shares redeemed during the year]	100	0 [100,650,000]	-	10,065
German Remedies Pharmaceuticals Private Limited	100	6,332,797	633	633
Zydus Animal Health and Investments Limited [500,000,000 shares redeemed during the year]	10	1,773,350,000 [2,273,350,000]	17,734	22,734
Zydus Healthcare Philippines Inc.	PHP 10	983,180	14	14
			18,381	33,446
B Details of Investments - Others				
[Valued at fair value through OCI]:				
Investment in Equity Instruments [Quoted]:				
In fully paid-up Common Stock of:				
Onconova Therapeutic Inc. USA [as at March 31, 2021: ₹ 317,262/-]	\$0.01	4,341	1	-
Pieris Pharmaceuticals Inc., USA	\$0.001	1,415,539	324	266
			325	266
In fully paid-up Equity Shares of:				
Housing Development Finance Corporation Limited	2	219,500	525	549
HDFC Bank Limited	1	8,000	12	12
Kokuyo Camlin Limited	1	72,090	4	4
Camlin Fine Sciences Limited	1	152,000	21	21
Accelya Kale Consultants Limited [₹: 355,424 {as at March 31, 2021: ₹ 326,794}]	10	383	-	-
			562	586
Investment in Equity Instruments [Unquoted]:				
In fully paid-up Equity Shares of:				
Bharuch Enviro Infrastructure Limited [₹ 12,140/-]	10	1,214	-	-
Narmada Clean Tech	10	625,813	6	6
Enviro Infrastructure Company Limited	10	50,000	1	1
GVFL Limited	10	50,000	1	1
Saraswat Co-Op Bank Limited [₹ 20,350/-]	10	2,500	-	-
The Shamrao Vithal Co-Op Bank Limited [₹ 2,500/-]	25	100	-	-
The Green Environment Co-operative Society Limited [₹ 5,000/-]	100	50	-	-
Shivalik Solid Waste Management Limited [₹ 2,00,000/-]	10	20,000	-	-
AMP Energy Green Nine Private Limited [318,519 shares subscribed during the year] [^]	10	318,519 [0]	3	-
			11	8
			898	860

Notes to the Financial Statements

NOTE: 4-INVESTMENTS [NON-CURRENT] - Continued :

₹-Million

	Face Value [*]	Nos. [**]	As at March 31, 2022	As at March 31, 2021
Investment in Preference Shares				
[Carried at amortised cost] [Unquoted]:				
In fully paid-up, 1%, Redeemable Cumulative preference shares of Enviro Infrastructure Company Limited	10	900,000	9	9
C Investment in Bonds [Valued at amortised cost] [Quoted]:				
In fully paid-up Bonds of:				
9.10% PNB Housing Finance Limited	1,000,000	25	25	25
9.75% Piramal Enterprises Limited	1,000,000	35	35	35
9.00% Indiabulls Housing Finance Limited	1,000	40,000	40	40
9.90% Tamil Nadu Generation and Distribution Corporation Limited	1,000,000	0 [2]	-	2
7.95% Bank of Baroda Perpetual	10,000,000	100 [0]	1,001	-
8.75% State Bank of India Perpetual	1,000,000	100 [0]	104	-
7.73% State Bank of India Perpetual Series II	1,000,000	650 [0]	659	-
9.04% Bank of India Perpetual Series VI	1,000,000	450 [0]	457	-
8.50% Bank of Baroda Perpetual Series XIV	1,000,000	20 [0]	20	-
8.99% Bank of Baroda Perpetual Series XI	1,000,000	50 [0]	52	-
8.50% State Bank of India Perpetual	1,000,000	50 [0]	51	-
7.72% State Bank of India Perpetual	10,000,000	25 [0]	251	-
			2,695	102
D Investment in Compulsorily Convertible Debentures				
[Valued at amortised cost] [Unquoted]:				
In fully paid-up Debentures of:				
0.01%, AMP Energy Green Nine Private Limited [^]	1,000	32,680 [0]	6	-
Total			48,975	64,706
E				
a i	Aggregate book value of quoted investments		15,902	13,274
ii	Market value of quoted investments		58,596	73,207
b	Aggregate book value of unquoted investments		33,073	51,432
F Explanations:				
a	In "Face Value [*]", figures in Indian Rupees unless stated otherwise.			
b	In "Nos. [**]" figures of previous year are same unless stated in [].			

[#] Pursuant to Securities and Exchange Board of India [Issue of Capital and Disclosure Requirements] Regulations, 2018, 8,483,754 equity shares were locked-in period till February 24, 2022.

[\$] The net worth of these subsidiaries as on March 31, 2022 is eroded. However, in view of the strategic nature of the investment in these companies and also considering the future business and cash flow projections of these companies, the same are valued at Cost and no impairment allowance is required to be provided for.

[^] In line with the philosophy of enhancing the share of renewable power source in its operations, the Company has entered into a Power Purchase Agreement [PPA] during the year with AMP Energy Green Nine Private Limited [AMP] to procure agreed output of wind and solar energy. Further, to comply with regulatory requirement for being a "captive user" under the Electricity Laws, 2003, during the year, the Company has entered into the Share Purchase, Subscription and Shareholder's Agreement [SPSSA] to acquire up to 11.86% stake on a fully diluted basis in AMP in one or more tranches, throughout the term of the definitive agreements i.e. PPA and SPSSA.

Further, the Company has also subscribed to 32,680 Compulsorily Convertible Debentures [CCD] of AMP of ₹ 1,000 each carrying interest of 0.01% for a total consideration of ₹ 39 Million.

Notes to the Financial Statements

NOTE: 5-LOANS:

	₹-Million	
	As at March 31, 2022	As at March 31, 2021
[Unsecured, Considered Good unless otherwise stated]		
Loans to Related Parties [*]	9,178	9,127
Total	9,178	9,127
[*] Details of loans pursuant to Section 186(4) of Companies Act, 2013 (#):		
Name of the party and relationship with the party to whom loan given:		
A Subsidiary Companies:		
a Zydus Worldwide DMCC	7,122	5,957
b Zydus International Private Limited	2,054	3,168
c Dialforhealth Unity Limited	2	2
Total	9,178	9,127

(#) Loans which are outstanding at the end of the respective financial year.

Notes:

- a All the above loans have been given for business purposes.
- b All the above loans are repayable within a period of 3 years.

NOTE: 6-OTHER FINANCIAL ASSETS:

	₹-Million	
	As at March 31, 2022	As at March 31, 2021
[Unsecured, Considered Good unless otherwise stated]		
Security Deposits	87	79
Forward Contract value related to investment in a Joint Venture	1,714	1,590
Others	4	4
Total	1,805	1,673

NOTE: 7-OTHER NON-CURRENT ASSETS:

	₹-Million	
	As at March 31, 2022	As at March 31, 2021
[Unsecured, Considered Good unless otherwise stated]		
Capital Advances - Considered Good	635	671
Capital Advances - Credit impaired	71	70
	706	741
Less: Allowances for credit impaired	71	70
	635	671
Balances with Statutory Authorities	761	751
Others	40	17
Total	1,436	1,439

Notes to the Financial Statements

NOTE: 8-ASSETS FOR CURRENT TAX [NET]:

	₹-Million	
	As at March 31, 2022	As at March 31, 2021
Advance payment of Tax [Net of provision for taxation of ₹ 13,152 {as at March 31, 2021: ₹ 12,804} Million]	433	549
Total	433	549

NOTE: 9-INVENTORIES:

	₹-Million	
	As at March 31, 2022	As at March 31, 2021
[The Inventory is valued at lower of cost and net realisable value]		
Classification of Inventories [*]:		
Raw Materials	8,277	8,216
Work-in-progress	2,659	3,375
Finished Goods	5,036	4,474
Stock-in-Trade	1,054	431
Others:		
Packing Materials	2,237	1,304
Total	19,263	17,800
The above includes Goods in transit as under:		
Raw Materials	264	109
Stock-in-Trade	2	-
Packing Materials	391	33
Amount recognised as an expense in statement of profit and loss resulting from write-down of inventories		
Net of reversal of write-down	20	20

For details of inventories pledged as security, refer Note-22.

[*] Net off one time provision for Covid related inventory of ₹ 1,344 Million for the year ended March 31, 2022 [for the year ended March 31, 2021: Nil].

NOTE: 10-INVESTMENT [CURRENT]:

	₹-Million		
	Nos. [**]	As at March 31, 2022	As at March 31, 2021
Investment in Mutual Funds [Quoted]			
[Valued at fair value through profit or loss][*]			
SBI Overnight Fund - Direct Plan - Growth	101,140.258 [0]	351	-
ICICI Prudential Overnight Fund - Direct Plan - Growth	16,180,820.32 [0]	1,854	-
Total		2,205	-

[*] Considered as cash and cash equivalents for Cash Flow Statement

[**] In "Nos." figures of previous year are stated in [].

Notes to the Financial Statements

NOTE: 11-TRADE RECEIVABLES:

₹-Million

	As at March 31, 2022	As at March 31, 2021
Secured - Considered good	841	1,104
Unsecured - Considered good	21,936	17,934
Unsecured - Credit impaired	60	53
	22,837	19,091
Less: Allowances for credit losses	60	53
Total	22,777	19,038

Ageing of Trade Receivables :

₹-Million

Particulars	Not due	Outstanding from due date of payment					Total
		Less than 6 Months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
As at March 31, 2022							
Undisputed – considered good	19,870	2,646	140	20	13	88	22,777
Undisputed – have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	-	18	10	9	9	46
Disputed – considered good	-	-	-	-	-	-	-
Disputed - have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	-	14	14
Total	19,870	2,646	158	30	22	111	22,837
Less: Allowances for credit losses							(60)
Trade Receivables							22,777
As at March 31, 2021							
Undisputed – considered good	16,635	1,962	216	119	90	16	19,038
Undisputed – have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	1	18	12	1	8	40
Disputed – considered good	-	-	-	-	-	-	-
Undisputed – have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	12	-	1	13
Total	16,635	1,963	234	143	91	25	19,091
Less: Allowances for credit losses							(53)
Trade Receivables							19,038

Notes to the Financial Statements

NOTE: 12-CASH AND BANK BALANCES:

	₹-Million	
	As at March 31, 2022	As at March 31, 2021
A Cash and Cash Equivalents:		
Balances with Banks	2,944	1,457
Cash on Hand	1	2
Total	2,945	1,459
A Company keeps fixed deposits with the Nationalised/ Scheduled banks, which can be withdrawn by the company as per its own discretion/ requirement of funds.		
B There are no amounts of cash and cash equivalent balances held by the entity that are not available for use.		
B Bank Balances other than Cash and Cash Equivalents:		
Balances with Banks [*]	81	81
Total	81	81
[*] Earmarked balances with banks:		
A Balances with Banks include Balances in unclaimed dividend accounts	48	49

NOTE: 13-LOANS:

	₹-Million	
	As at March 31, 2022	As at March 31, 2021
[Unsecured, Considered Good]		
Loans to related parties [*]	14,763	14,358
Total	14,763	14,358
[*] Details of Loans to Related Parties [Refer Note-41 for relationship] are as under:		
a Zydus Pharmaceuticals (USA) Inc.	12,881	12,425
b Zydus International Private Limited [including Interest Receivable on loan]	1,260	6
c Zydus Worldwide DMCC [including Interest Receivable on loan]	622	12
d Zydus VTEC Limited [including Interest Receivable on loan]	-	1,038
e Zydus Pharmaceuticals Limited [including Interest Receivable on loan]	-	877
	14,763	14,358

Notes:

- a All the above loans have been given for business purposes.
- b All the above loans are repayable within a period of 1 year.

NOTE: 14-OTHER CURRENT FINANCIAL ASSETS:

	₹-Million	
	As at March 31, 2022	As at March 31, 2021
[Unsecured, Considered Good]		
GST Refund receivable	707	1,486
Receivables for Forward Contract	252	348
Dividend Receivable	-	103
Interest Receivable	110	12
Others	100	71
Total	1,169	2,020

Notes to the Financial Statements

NOTE: 15-OTHER CURRENT ASSETS:

	₹-Million	
	As at March 31, 2022	As at March 31, 2021
[Unsecured, Considered Good, unless otherwise stated]		
Balances with Statutory Authorities	2,564	2,617
Advances to Suppliers - Considered Good	1,125	811
Advances to Suppliers - Credit impaired	169	161
	1,294	972
Less: Allowances for credit impaired	169	161
	1,125	811
Export Incentive Receivables	779	1,198
Prepaid Expenses	272	404
Advance CSR contribution	431	531
Total	5,171	5,561

NOTE: 16-EQUITY SHARE CAPITAL:

	₹-Million	
	As at March 31, 2022	As at March 31, 2021
Authorised:		
1,725,000,000 [as at March 31, 2021: 1,725,000,000] Equity Shares of ₹ 1/- each	1,725	1,725
	1,725	1,725
Issued, Subscribed and Paid-up:		
1,023,742,600 [as at March 31, 2021: 1,023,742,600] Equity Shares of ₹ 1/- each, fully paid-up	1,024	1,024
	1,024	1,024
A There is no change in the number of shares as at the beginning and end of the year.		
Number of shares at the beginning and at the end of the year	1,023,742,600	1,023,742,600
B The Company has only one class of equity shares having a par value of ₹ 1/- per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in the case of interim dividend. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.		
C Details of Shareholders holding more than 5% of aggregate Equity Shares of ₹ 1/- each		
a Zydus Family Trust		
Number of Shares	766,381,434	766,381,434
% to total share holding	74.86%	74.86%
b Life Insurance Corporation of India		
Number of Shares	62,749,284	33,827,294
% to total share holding	6.13%	3.30%

Notes to the Financial Statements

NOTE: 16-EQUITY SHARE CAPITAL - Continued:

D Equity Shares held by the promoters of the Company:

As at March 31, 2022

#	Promoter's Name	No. of Shares	% of total shares	% change during the year
1	Zydus Family Trust	766,381,434	74.861	-
2	Pankaj R. Patel	45,000	0.004	-
3	Pankaj Ramanbhai Patel HUF	30,000	0.003	-
4	Pripan Investment Private Limited	18,000	0.002	-
5	Taraben Patel Family Will Trust	15,000	0.001	-
6	Pritiben Pankajbhai Patel	15,000	0.001	-
7	Dr. Sharvil P. Patel	15,000	0.001	-
8	Shivani Pankajbhai Patel	15,000	0.001	-

As at March 31, 2021

#	Promoter's Name	No. of Shares	% of total shares	% change during the year
1	Zydus Family Trust	766,381,434	74.861	-
2	Pankaj R. Patel	45,000	0.004	-
3	Pankaj Ramanbhai Patel HUF	30,000	0.003	-
4	Pripan Investment Private Limited	18,000	0.002	-
5	Taraben Patel Family Will Trust	15,000	0.001	-
6	Pritiben Pankajbhai Patel	15,000	0.001	-
7	Dr. Sharvil P. Patel	15,000	0.001	-
8	Shivani Pankajbhai Patel	15,000	0.001	-

NOTE: 17-OTHER EQUITY:

₹-Million

	As at March 31, 2022	As at March 31, 2021
Capital Reserve:		
Balance as per last Balance Sheet	20,379	20,379
Other Reserves:		
International Business Development Reserve: [*]		
Balance as per last Balance Sheet	2,000	2,000
General Reserve: [**]		
Balance as per last Balance Sheet	15,525	15,525
Fair Value through Other Comprehensive Income [FVTOCI] Reserve: [#]		
Balance as per last Balance Sheet	548	314
Add: Credited during the year	35	234
	583	548
Retained Earnings:		
Balance as per last Balance Sheet	87,969	73,360
Add: Profit for the year	8,579	14,762
	96,548	88,122
Less: Items of other Comprehensive income recognised directly in Retained Earnings:		
Re-measurement gains/ [losses] on defined benefit plans [net of tax]	7	(153)
Less: Dividends	(3,585)	-
Less: Adjustment pursuant to extension of the term of investment in preference shares of a joint venture	(76)	
Balance as at the end of the year	92,894	87,969
Total	1,31,381	1,26,421

Notes to the Financial Statements

NOTE: 17-OTHER EQUITY - Continued:

- [*] International Business Development Reserve was created pursuant to Composite Scheme of Arrangement approved by the Hon'ble High Court of Gujarat and its utilization shall be as provided in the scheme.
- [**] General Reserve can be used for the purposes and as per guidelines prescribed in the Companies Act, 2013.
- [#] The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

NOTE: 18-BORROWINGS:

₹-Million

	Non-current portion		Current Maturities	
	As at March 31,		As at March 31,	
	2022	2021	2022	2021
A Term Loans from Banks:				
External Commercial Borrowings [ECB] in Foreign Currency [Unsecured]	1,264	6,095	5,055	6,095
B From Others [Unsecured]	-	-	-	10
Total	1,264	6,095	5,055	6,105
The above amount includes:				
Unsecured borrowings	1,264	6,095	5,055	6,105
Amount disclosed under the head "Borrowings" [Note-22]	-	-	(5,055)	(6,105)
Net amount	1,264	6,095	-	-

A Terms of Repayment for Unsecured Borrowings:

a Foreign Currency Loans:

- i ECB of USD 100 Million is repayable in three yearly instalments starting from March 27, 2021. Interest on loan is payable on monthly basis. The outstanding amount as at March 31, 2022 is ₹ 2,527 [as at March 31, 2021: ₹ 4,876] Million.
- ii ECB of USD 30 Million is repayable in three yearly instalments starting from April 26, 2020. Interest on loan is payable on monthly basis. The outstanding amount as at March 31, 2022 is ₹ 758 [as at March 31, 2021: ₹ 1,463] Million.
- iii ECB of USD 20 Million is repayable in three yearly instalments starting from September 18, 2020. Interest on loan is payable on monthly basis. The outstanding amount as at March 31, 2022 is ₹ 506 [as at March 31, 2021: ₹ 975] Million.
- iv ECB of USD 20 Million is repayable in three yearly instalments starting from September 7, 2021. Interest on loan is payable on monthly basis. The outstanding amount as at March 31, 2022 is ₹ 1,011 [as at March 31, 2021: ₹ 1,463] Million.
- v ECB of USD 30 Million is repayable in three yearly instalments starting from January 23, 2022. Interest on loan is payable on monthly basis. The outstanding amount as at March 31, 2022 is ₹ 1,517 [as at March 31, 2021: ₹ 2,194] Million.

NOTE: 19-OTHER FINANCIAL LIABILITIES:

₹-Million

	As at March 31, 2022	As at March 31, 2021
Trade Deposits	149	107
Total	149	107

Notes to the Financial Statements

NOTE: 20-PROVISIONS:

₹-Million

	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits	1,764	1,685
Total	1,764	1,685

Defined benefit plan and long term employment benefit

A General description:

Leave wages [Long term employment benefit]:

The leave encashment scheme is administered through Life Insurance Corporation of India's Employees' Group Leave Encashment cum Life Assurance [Cash Accumulation] Scheme. The employees of the company are entitled to leave as per the leave policy of the company. The liability on account of accumulated leave as on last day of the accounting year is recognised [net of the fair value of plan assets as at the balance sheet date] at present value of the defined obligation at the balance sheet date based on the actuarial valuation carried out by an independent actuary using projected unit credit method.

Gratuity [Defined benefit plan]:

The Company has a defined benefit gratuity plan. Every employee who has completed continuous services of five years or more gets a gratuity on death or resignation or retirement at 15 days salary [last drawn salary] for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary increment risk.

Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Notes to the Financial Statements

NOTE: 20-PROVISIONS - Continued:

₹-Million

	As at March 31, 2022			As at March 31, 2021		
	Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
B Change in the present value of the defined benefit obligation:						
Opening obligation	132	1,347	1,654	102	1,082	1,316
Transfer in/ [out]	(5)	(9)	(33)	-	-	-
Interest cost	8	80	100	6	62	78
Current service cost	17	224	206	12	221	192
Benefits paid	(2)	(189)	(114)	(4)	(149)	(116)
Actuarial [gains]/ losses on obligation due to:						
Experience adjustments	(22)	(11)	27	5	68	95
Change in demographic assumptions	15	87	-	-	-	-
Change in financial assumptions	(3)	(31)	(36)	11	63	89
Closing obligation	140	1,498	1,804	132	1,347	1,654
C Change in the fair value of plan assets:						
Opening fair value of plan assets	-	127	978	-	114	785
Transfer in/ [out]	-	-	6	-	-	2
Expected return on plan assets	-	5	64	-	8	51
Return on plan assets excluding amounts included in interest income	-	2	-	-	(2)	(2)
Contributions by employer	-	2	246	-	8	258
Benefits paid	-	(3)	(114)	-	(1)	(116)
Actuarial [losses]/ gains	-	-	-	-	-	-
Closing fair value of plan assets	-	133	1,180	-	127	978
Total actuarial [losses]/ gains to be recognised	10	(43)	9	(16)	(131)	(184)
D Actual return on plan assets:						
Expected return on plan assets	-	5	64	-	8	51
Actuarial [losses]/ gains on plan assets	-	-	-	-	-	-
Actual return on plan assets	-	5	64	-	8	51
E Amount recognised in the balance sheet:						
Liabilities/ [Assets] at the end of the year	140	1,498	1,804	132	1,347	1,654
Fair value of plan assets at the end of the year	-	(133)	(1,180)	-	(127)	(978)
Difference	140	1,365	624	132	1,220	676
Unrecognised past service cost	-	-	-	-	-	-
Liabilities/ [Assets] recognised in the Balance Sheet	140	1,365	624	132	1,220	676
F Expenses/ [Incomes] recognised in the Statement of Profit and Loss:						
Current service cost	17	224	206	12	221	192
Interest cost on benefit obligation	8	80	100	6	62	78
Expected return on plan assets	-	(5)	(64)	-	(8)	(51)
Return on plan assets excluding amounts included in interest income	-	(2)	-	-	2	-
Net actuarial [gains]/ losses in the year	(10)	45	-	16	131	-
Amount included in "Employee Benefits Expense"	15	342	242	34	408	219
Return on plan assets excluding amounts included in interest income	-	-	-	-	-	2
Net actuarial [gains]/ losses in the year	-	-	(9)	-	-	184
Amounts recognized in OCI	-	-	(9)	-	-	186

Notes to the Financial Statements

NOTE: 20-PROVISIONS - Continued:

₹-Million

	As at March 31, 2022			As at March 31, 2021		
	Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
G Movement in net liabilities recognised in Balance Sheet:						
Opening net liabilities	132	1,220	676	102	968	531
Transfer in/ (out) obligations	(5)	(9)	(39)	-	-	(2)
Expenses as above [P & L Charge]	15	342	242	34	408	219
Employer's contribution	-	(2)	(246)	-	(8)	(258)
Amount recognised in OCI	-	-	(9)	-	-	186
Benefits Paid	(2)	(186)	-	(4)	(148)	-
Liabilities/ [Assets] recognised in the Balance Sheet	140	1,365	624	132	1,220	676
H Principal actuarial assumptions for defined benefit plan and long term employment benefit plan:						
Discount rate	6.85%	6.85%	6.85%	6.50%	6.50%	6.50%
[The rate of discount is considered based on market yield on Government Bonds having currency and terms in consistence with the currency and terms of the post employment benefit obligations]						
Annual increase in salary cost	12% for next 2 year, 9% thereafter			12% for next 3 year, 9% thereafter		
[The estimates of future salary increases are considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market]						
I The categories of plan assets as a % of total plan assets are:						
Insurance plan	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%

Gratuity:	As at March 31,				
	2022	2021	2020	2019	2018
Defined benefit obligation	1,804	1,654	1,316	1,212	1,030
Fair value of Plan Assets	1,180	978	785	709	594
Deficit/ [Surplus] in the plan	624	676	531	503	436
Actuarial Loss/ [Gain] on Plan Obligation	(9)	184	54	44	113
Actuarial Loss/ [Gain] on Plan Assets	-	-	-	-	-

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2021-22.

The average duration of the defined benefit plan obligation at the end of the reporting period is 25.92 years [as at March 31, 2021: 26.46 years].

Notes to the Financial Statements

NOTE: 20-PROVISIONS - Continued:

Sensitivity analysis:

A quantitative sensitivity analysis for significant assumptions is shown below:

₹-Million

Assumptions	Medical Leave		Leave Wages		Gratuity	
	As at March 31,					
	2022	2021	2022	2021	2022	2021
Impact on obligation:						
Discount rate increase by 0.5%	(5)	(5)	(42)	(36)	(59)	(56)
Discount rate decrease by 0.5%	5	5	44	40	65	60
Annual salary cost increase by 0.5%	5	4	43	39	63	58
Annual salary cost decrease by 0.5%	(5)	(4)	(41)	(35)	(58)	(56)

The following payments are expected contributions to the defined benefit plan in future years:

₹-Million

	As at March 31, 2022	As at March 31, 2021
Within the next 12 months [next annual reporting period]	669	554
Between 2 and 5 years	1,451	1,254
Between 6 and 10 years	1,306	1,157
Total expected payments	3,426	2,965

NOTE: 21-DEFERRED TAX:

A Break up of Deferred Tax Liabilities and Assets into major components of the respective balances are as under:

₹-Million

	As at March 31, 2020	Impact for the previous year	As at March 31, 2021	Impact for the current year	As at March 31, 2022
Deferred Tax Liabilities:					
Depreciation	2,741	(535)	2,206	527	2,733
Fair Value Adjustment - Financial Instruments	164	-	164	-	164
	2,905	(535)	2,370	527	2,897
Deferred Tax Assets:					
Employee benefits/Payable to Statutory Authorities	852	94	946	74	1,020
Inventory and related items	33	71	104	(22)	82
Receivables	37	37	74	31	105
Unabsorbed short term capital loss	-	173	173	(14)	159
	922	375	1,297	69	1,366
Net Deferred Tax Liabilities	1,983	(910)	1,073	458	1,531

B The Net Deferred Tax of ₹ 458 Million for the year has been charged [Previous Year ₹ 910 Million reversed] in the Statement of Profit and Loss.

C The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Unabsorbed Depreciation is allowed to be set-off for indefinite period.

Notes to the Financial Statements

NOTE: 21-DEFERRED TAX - Continued:

D MAT Credit not recognised as at March 31, 2022 is ₹ 946 [as at March 31, 2021: ₹ 2,829] Million. The Company did not recognise such MAT credit in the past as a component of deferred tax asset in the balance sheet, on the basis of the then assessment made by the Company's management of the profitability and operational plans in the foreseeable future, and the Company's management was of the view, at various points of time, that there was no convincing evidence supporting the probability that the Company would be liable to pay income tax under the normal provisions of the Income-tax Act, 1961 [the Act] for the periods up to which the Company is eligible to utilise the unused MAT credit, specifically considering the available deductions/ benefits etc. under the normal provisions under the Act. Further, and notwithstanding the foregoing, the Company is considering to exercise the option permitted u/s 115BAA of the Act, for the financial year ending March 31, 2023, consequent to which the entire MAT credit would no longer be allowed for utilisation.

However, during the year, the Company was once again in a situation where it ended up utilising unrecognised MAT credit of ₹ 2,065 [Previous year: ₹ 2,984] Million as it had to pay income tax under the normal provisions under the Act despite the availability of the deductions/ benefits as the actual profits far exceeded the estimates made in the previous year in view of unanticipated increase in sales of certain products during the year where the probability of recurrence in the foreseeable future cannot be determined at present.

NOTE: 22-BORROWINGS:

	₹-Million	
	As at March 31, 2022	As at March 31, 2021
Loans repayable on Demand:		
Working Capital Loans from Banks [Secured] [*]	5,000	3,839
Working Capital Loans from Banks [Unsecured] [**]	13,607	16,120
Working Capital Loans from Others [Unsecured] [***]	1,700	7,000
Current Maturities of Long Term Debt [Refer Note-18]	5,055	6,105
Total	25,362	33,064

[*] Working Capital Loans which are repayable on demand, are secured by hypothecation of inventories of all types, save and except stores and spares relating to plant and machineries [consumable stores and spares], including goods in transit, bills receivables and book debts. The value of such current assets is ₹ 42,040 [as at March 31, 2021 ₹ 36,838] Million. Quarterly statements of current assets filed by the Company with bank are in agreement with the books of accounts.

[**] PCFC and Packing Credit loans in ₹ [PCRE] loans are payable during April, 2022 to September, 2022. The outstanding amount of loans as at March 31, 2022 is ₹ 13,607 [as at March 31, 2021: ₹ 9,870] Million.

[***] The loan from one of the subsidiary companies is repayable during April, 2022 to January, 2023 with applicable interest rate. The outstanding amount of loans as at March 31, 2022 is ₹ 1,700 [as at March 31, 2021: ₹ 7,000] Million.

Notes to the Financial Statements

NOTE: 23-TRADE PAYABLES:

₹-Million

	As at March 31, 2022	As at March 31, 2021
Dues to Micro and Small Enterprises [*]	4	20
Dues to other than Micro and Small Enterprises	10,648	11,240
Total	10,652	11,260
[*] Disclosure in respect of Micro and Small Enterprises:		
A Principal amount remaining unpaid to any supplier as at year end	4	20
B Interest due thereon	-	-
C Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year	3	2
D Amount of interest due and payable for the year of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act	-	-
E Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
F Amount of further interest remaining due and payable in succeeding years	-	-

The above information has been compiled in respect of parties to the extent to which they could be identified as Micro and Small Enterprises on the basis of information available with the Company.

Ageing of Trade Payables :

Particulars	Not due	Outstanding from due date of payment				Total
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
As at March 31, 2022						
Undisputed Micro and Small Enterprises [MSME]	4	-	-	-	-	4
Undisputed Others	5,226	5,110	231	12	69	10,648
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-
Total	5,230	5,110	231	12	69	10,652
As at March 31, 2021						
Undisputed MSME	11	9	-	-	-	20
Undisputed Others	4,430	6,694	45	11	60	11,240
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-
Total	4,441	6,703	45	11	60	11,260

Notes to the Financial Statements

NOTE: 24-OTHER FINANCIAL LIABILITIES:

₹-Million

	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	54	101
Accrued Expenses	1,555	1,209
Payable for Capital Goods	673	685
Unpaid Dividends [*]	48	49
Total	2,330	2,044

[*] There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

NOTE: 25-OTHER CURRENT LIABILITIES:

₹-Million

	As at March 31, 2022	As at March 31, 2021
Advances from Customers	427	265
Payable to Statutory Authorities	381	395
Others	55	53
Total	863	713

NOTE: 26-PROVISIONS:

₹-Million

	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits	390	366
Provision for claims for product expiry and return of goods [*]	437	300
Total	827	666

[*] Provision for claims for product expiry and return of goods:

a	Provision for product expiry claims and return of goods in respect of products sold during the year is made based on the management's estimates considering the estimated stock lying with retailers. The Company does not expect such claims to be reimbursed by any other party in future.		
b	The movement in such provision is stated as under:		
i	Carrying amount at the beginning of the year	300	53
ii	Additional provision made during the year	137	247
iii	Carrying amount at the end of the year	437	300

NOTE: 27-CURRENT TAX LIABILITIES [NET]:

₹-Million

	As at March 31, 2022	As at March 31, 2021
Provision for Taxation [Net of advance payment of tax of ₹ 8,702 {as at March 31, 2021: ₹ 3,425} Million]	232	444
Total	232	444

Notes to the Financial Statements

NOTE: 28-CONTINGENT LIABILITIES AND COMMITMENTS [TO THE EXTENT NOT PROVIDED FOR]:

₹-Million

	As at March 31, 2022	As at March 31, 2021
A Contingent Liabilities:		
a Claims against the Company not acknowledged as debts	124	148
- Net of advance of	-	2
- Includes in respect of Amalgamated {*} Companies	2	2
b In respect of corporate guarantees given by the Company to Banks for the outstanding dues of loans availed by some of the subsidiary companies	15,769	12,800
c Other money for which the company is contingently liable:		
i In respect of the demands raised by the Central Excise, State Excise, Customs & Service Tax Authority	1,772	1,755
- Net of advance of	73	65
ii In respect of the demands raised by the Ministry of Chemicals & Fertilizers, Govt. of India under Drug Price Control Order, 1979/1995 for difference in actual price and price of respective bulk drug allowed while fixing the price of certain formulations and disputed by the Company, which the Company expects to succeed based on the legal advice	111	108
- Net of advance of	69	68
- Includes in respect of Amalgamated {*} Companies	25	25
iii In respect of Income Tax matters pending before appellate authorities which the Company expects to succeed, based on decisions of Tribunals/ Courts	71	7
- Net of advance of	103	215
iv In respect of Sales Tax matters pending before appellate authorities/ Court which the Company expects to succeed, based on decisions of Tribunals/ Courts	104	109
- Net of advance of	18	20
v Letters of Credit for Imports	20	112
vi The Company has imported certain capital equipment at concessional rate of custom duty under "Export Promotion of Capital Goods Scheme" of the Central Government. The Company has undertaken an incremental export obligation to the		
- extent of US \$ Million 15 [Previous Year: 35]		
- equivalent to ₹ Million approx. 1,079 [Previous Year: 2,346]		
to be fulfilled during a specified period as applicable from the date of imports. The unprovided liability towards custom duty payable thereon in respect of unfulfilled export obligations where the specified period to fulfil the obligation has not expired	15	169
[*] represents contingent liabilities taken over by the Company under the Scheme of Arrangement and Amalgamation of Cadila Laboratories Limited and erstwhile Cadila Chemicals Limited, Cadila Antibiotics Limited, Cadila Exports Limited and Cadila Veterinary Private Limited with the Company w.e.f. June 1, 1995.		
B Commitments:		
a Estimated amount of contracts remaining to be executed on capital account and not provided for	4,345	4,865
- Net of advance of	521	543

NOTE: 29-DIVIDENDS PROPOSED TO BE DISTRIBUTED:

The Board of Directors, at its meeting held on May 20, 2022, recommended the final dividend of ₹ 2.50 per equity share of ₹ 1/- each. The recommended dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting.

Notes to the Financial Statements

NOTE: 30-REVENUE FROM OPERATIONS:

₹-Million

	Year ended March 31, 2022	Year ended March 31, 2021
Sale of Products	75,900	74,367
Other Operating Revenues:		
Export Incentives	468	1,162
Net Gain on foreign currency transactions and translation [*]	1,450	484
Contract manufacturing and processing income	780	690
Miscellaneous Income	1,221	1,097
	3,919	3,433
Total	79,819	77,800
[*] includes research related Net Loss on foreign currency transactions and translation	43	3
Pursuant to Ind AS 115 "Revenue from Contracts with Customers" reconciliation of revenue recognised in the statement of profit and loss with the contracted price is under:		
Revenue as per contracted price	76,017	74,615
Less:		
Provision for Expiry and Sales Return	(136)	(184)
Discounts/ Price Reduction/ Rebates	19	(64)
	(117)	(248)
Revenue from contract with customers	75,900	74,367

NOTE: 31-OTHER INCOME:

₹-Million

	Year ended March 31, 2022	Year ended March 31, 2021
Finance Income:		
Interest Income on Financial Assets measured at Amortised Cost	316	374
Net Gain on Forward Contract	646	121
Gain / [Loss] on valuation of Forward Contract value related to investment in a Joint Venture mandatorily measured at FVTPL	123	(276)
	1,085	219
Dividend Income:		
From Investments designated as at FVOCI	5	5
From Investments designated as at Amortized Cost [*]	433	469
	438	474
Gain on Investments mandatorily measured at FVTPL	55	26
Other Non-operating Income	209	174
Total	1,787	893
[*] Includes dividend from subsidiary companies	183	33

Notes to the Financial Statements

NOTE: 32-COST OF MATERIALS CONSUMED:

	₹-Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Raw Materials:		
Stock at commencement	8,216	6,257
Add: Purchases	22,321	21,841
	30,537	28,098
Less: Stock at close	8,277	8,216
	22,260	19,882
Packing Materials consumed	4,030	3,582
Total	26,290	23,464

NOTE: 33-PURCHASES OF STOCK-IN-TRADE:

	₹-Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Purchases of Stock-in-Trade	2,881	1,533
Total	2,881	1,533

NOTE: 34-CHANGES IN INVENTORIES:

	₹-Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Stock at commencement:		
Work-in-progress	3,375	2,725
Finished Goods	4,474	3,482
Stock-in-Trade	431	590
	8,280	6,797
Less: Stock at close:		
Work-in-progress	2,659	3,375
Finished Goods	5,036	4,474
Stock-in-Trade	1,054	431
	8,749	8,280
Total	(469)	(1,483)

NOTE: 35-EMPLOYEE BENEFITS EXPENSE:

	₹-Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages	10,949	10,430
Contribution to provident and other funds [*]	775	727
Staff welfare expenses	325	316
Total	12,049	11,473
Above expenses include:		
Research related expenses:		
Salaries and wages	1,914	1,767
Contribution to provident and other funds	137	127
Staff welfare expenses	37	33
Total	2,088	1,927
Managing Directors' Remuneration	197	259
[*] The Company's contribution towards defined contribution plan	519	490

Notes to the Financial Statements

NOTE: 35-EMPLOYEE BENEFITS EXPENSE - Continued:

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees, as specified under the law. The contributions are paid to the Provident Fund Trust set up by the Company or to the respective Regional Provident Fund Commissioner under the Pension Scheme. The Company is generally liable for annual contribution and any shortfall in the trust fund assets based on the government specified minimum rate of return and recognises such contribution and shortfall, if any, as an expense in the year it is incurred.

NOTE: 36-FINANCE COST:

₹-Million

	Year ended March 31, 2022	Year ended March 31, 2021
Interest expense [*]	943	670
Net Loss on foreign currency transactions and translation	375	-
Bank commission & charges	31	39
Total	1,349	709
[*] The break up of interest expense into major heads is given below:		
On term loans	113	217
On working capital loans	671	219
On lease	3	4
Others	156	230
Total	943	670

NOTE: 37-OTHER EXPENSES:

₹-Million

	Year ended March 31, 2022	Year ended March 31, 2021
Research Materials	1,092	1,200
Analytical Expenses	943	1,261
Consumption of Stores and spare parts	2,249	2,262
Power & fuel	2,452	1,932
Rent	9	14
Repairs to Buildings	193	158
Repairs to Plant and Machinery	686	730
Repairs to Others	217	149
Insurance	444	424
Rates and Taxes [excluding taxes on income]	17	13
Processing Charges	466	335
Commission to Directors	14	14
Traveling Expenses	305	169
Legal and Professional Fees [*]	1,980	2,574
Commission on sales	581	384
Freight and forwarding on sales	2,722	2,834
Representative Allowances	81	66
Other marketing expenses	1,374	1,129
Allowances of credit losses:		
Trade receivables written off	-	5
Expected credit loss	19	32
	19	37
Less: Transferred from expected credit loss	(12)	(12)
	7	25

Notes to the Financial Statements

NOTE: 37-OTHER EXPENSES - Continued:

₹-Million

	Year ended March 31, 2022	Year ended March 31, 2021
Allowances for Doubtful Advances:		
Doubtful advances written off	-	-
Allowances for credit impaired	14	145
	14	145
Less: Transferred from allowances for credit impaired	(5)	(1)
	9	144
Directors' fees	10	9
Net Loss on disposal of Property, Plant and Equipment [Net of gain of ₹ 5 {Previous Year: ₹ 2} Million]	31	38
Donations	3	44
Miscellaneous Expenses [#]	4,002	3,818
Total	19,887	19,726
Above expenses include Research related expenses as follows:		
Research Materials	1,092	1,200
Analytical expenses	794	1,205
Consumption of Stores and spare parts	536	515
Power & Fuel	149	146
Repairs to Buildings	12	13
Repairs to Plant and Machinery	111	114
Repairs to Others	48	48
Insurance	29	22
Traveling Expenses	12	7
Legal and Professional fees	1,265	1,987
Net Loss on disposal of Property, Plant and Equipment	17	2
Miscellaneous Expenses [excluding Depreciation of ₹ 393 {Previous Year: ₹ 378} Million]	1,292	1,162
Total	5,357	6,421
[*] Legal and Professional Fees include:		
Payment to the Statutory Auditors [excluding GST]:		
i - As Auditor	11	10
- For Other Services	1	1
- Reimbursement of expenses [₹ NIL {Previous Year: ₹ 117,964}]	-	-
- Total	12	11
ii Cost Auditor's Remuneration including fees for other services [excluding GST]	1	1
[#] Miscellaneous Expenses include:		
a Expenditure on Corporate Social Responsibility [CSR] Activities as required u/s 135 of the Companies Act, 2013:	270	254
# Particulars with regard to CSR activities :		
1 Amount required to be spent during the year as per section 135(5)	270	254
2 Amount spent on CSR for construction/ acquisition of asset	170	785
3 Amount of excess CSR spent of earlier years utilized for the financial year	100	-
4 Excess / (Shortfall) at the end of the financial year	-	531
5 Amount available for set off in succeeding financial year	431	531
6 Total of previous years shortfall	N.A	N.A
7 Reasons for shortfall	N.A	N.A
8 Nature of CSR Activities:		
A Healthcare	170	785
9 Details of Related Parties:		
A Contribution to Zydus Foundation, a wholly owned subsidiary of the Company, is a company incorporated under Section 8 of the Companies Act, 2013	170	785

Notes to the Financial Statements

NOTE: 38-TAX EXPENSES:

₹-Million

	Year ended March 31, 2022	Year ended March 31, 2021
The major components of income tax expense are:		
A Statement of profit and loss:		
Profit or loss section:		
Current income tax:		
Current income tax charge	2,602	3,032
Adjustments in respect of current income tax of previous years	-	1
	2,602	3,033
Deferred tax:		
Relating to origination and reversal of temporary differences [Refer Note-21]	458	(910)
Tax expense reported in profit or loss	3,060	2,123
OCI Section:		
Tax related to items recognised in OCI during in the year:		
Net loss/ [gain] on remeasurements of defined benefit plans	(2)	33
Tax charged to OCI	(2)	33
B Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:		
Profit before tax	11,639	16,885
Enacted Tax Rate in India (%)	34.94%	34.94%
Expected Tax Expenses	4,067	5,900
Adjustments for:		
Tax effect due to non-taxable income for tax purposes	(15)	(14)
Effect of deferred tax assets/ liabilities recognised in earlier years	304	(638)
Effect of non-deductible expenses	1,187	543
Effect of additional deductions in taxable income	(419)	(723)
Effect of MAT Credit utilised on which deferred tax asset is not created	(2,065)	(2,984)
Others	1	39
Total	(1,007)	(3,777)
Tax Expenses as per Profit or Loss	3,060	2,123

NOTE: 39-CALCULATION OF EARNINGS PER EQUITY SHARE [EPS]:

The numerators and denominators used to calculate the basic and diluted EPS are as follows:

₹-Million

		Year ended March 31, 2022	Year ended March 31, 2021	
A	Profit attributable to Shareholders	₹-Million	8,579	14,762
B	Basic and weighted average number of Equity shares outstanding during the year	Numbers	1,023,742,600	1,023,742,600
C	Nominal value of equity share	₹	1	1
D	Basic & Diluted EPS	₹	8.38	14.42

NOTE: 40-SEGMENT INFORMATION:

Segment Information has been given in the Consolidated Financial Statements of the Company. Hence, as per Ind AS-108 "Operating Segments" issued by the Institute of Chartered Accountants of India, no separate disclosure on segment information is given in these financial statements.

Notes to the Financial Statements

NOTE: 41-RELATED PARTY TRANSACTIONS:

A Name of the Related Parties and Nature of the Related Party Relationship with whom transactions have taken place:	
a Entity having control over the Company :	Zydus Family Trust [Holding 74.86 % in the Company]
b Subsidiary Companies/ entities:	
Zydus Healthcare Limited	Zydus Pharmaceuticals (USA) Inc. [USA]
German Remedies Pharmaceuticals Private Limited	Nesher Pharmaceuticals (USA) LLC [USA]
Zydus Wellness Limited	ZyVet Animal Health Inc. [USA]
Zydus Wellness Products Limited	Zydus Healthcare (USA) LLC [USA]
Liva Nutritions Limited	Sentynt Therapeutics Inc. [USA]
Liva Investment Limited	Zydus Noveltech Inc. [USA]
Zydus Animal Health and Investments Limited	Hercon Pharmaceuticals LLC [USA]
Dialforhealth Unity Limited	Viona Pharmaceuticals Inc. [USA]
Dialforhealth Greencross Limited	Zydus Therapeutics Inc. [ZTI] [USA]
Violio Healthcare Limited	Zydus Healthcare S.A. (Pty) Ltd [South Africa]
Zydus Pharmaceuticals Limited	Simayla Pharmaceuticals (Pty) Ltd [South Africa]
Biochem Pharmaceutical Private Limited	Script Management Services (Pty) Ltd [South Africa]
Zydus Strategic Investments Limited	Zydus France, SAS [France]
Zydus VTEC Limited	Laboratorios Combix S.L. [Spain]
Zydus Foundation	Etna Biotech S.R.L. [Italy]
M/s. Recon Pharmaceuticals and Investments, a Partnership Firm	Zydus Pharmaceuticals Mexico SA De CV [Mexico]
Zydus International Private Limited [Ireland]	Zydus Pharmaceuticals Mexico Services Company SA De C.V.[Mexico]
Zydus Netherlands B.V. [the Netherlands]	Zydus Worldwide DMCC [Dubai]
Zydus Lanka (Private) Limited [Sri Lanka]	Zydus Discovery DMCC [Dubai] [Merged with ZTI w.e.f. July 1, 2021]
Zydus Nikkho Farmaceutica Ltda. [Brazil]	Zydus Wellness International DMCC [Dubai]
Alidac Healthcare (Myanmar) Limited [Myanmar]	Zydus Wellness [BD] Pvt Ltd [Bangladesh]
Zydus Healthcare Philippines Inc. [Philippines]	
c Joint Venture Companies:	
Zydus Hospira Oncology Private Limited	Bayer Zydus Pharma Private Limited
Zydus Takeda Healthcare Private Limited	
d Key Managerial Personnel:	
Mr. Pankaj R. Patel	Chairman
Dr. Sharvil P. Patel	Managing Director & son of Chairman
Mr. Ganesh N. Nayak	Executive Director
Mr. Mukesh M. Patel	Non-Executive Director
Mr. Apurva S. Diwanji	Independent Director
Mr. Nitin R. Desai	Independent Director
Ms. Dharmishtaben N. Raval	Independent Director
Mr. Bhadresh K. Shah	Independent Director
Mr. Nitin D. Parekh	Executive Officer [Chief Financial Officer]
Mr. Dhaval N. Soni	Executive Officer [Company Secretary]
e Enterprises significantly influenced by Directors and/or their relatives:	
Cadmach Machinery Company Private Limited	Cadila Laboratories Private Limited
Zydus Hospitals and Healthcare Research Private Limited	Karmic Lifesciences LLP
Zydus Hospitals (Vadodra) Private Limited	Mukesh M. Patel & Co.
Zydus Infrastructure Private Limited	M/s. International Tax and Investments Consultants
Oneiro Chemicals Private Limited	
f Post Employment Benefits Plans:	
Cadila Healthcare Limited Employees Group Gratuity Scheme	Cadila Healthcare Ltd. Managerial Cadre EPF

Notes to the Financial Statements

NOTE: 41-RELATED PARTY TRANSACTIONS - Continued:

B Transactions with Related Parties:

The following transactions were carried out with the related parties in the ordinary course of business and at arm's length terms:

a Details relating to parties referred to in Note-41-A [b, c & e]

Nature of Transactions	Value of the Transactions [₹-Million]					
	Subsidiary Companies		Joint Venture Companies		Enterprises significantly influenced by Directors and/ or their relatives	
	Year ended March 31,					
	2022	2021	2022	2021	2022	2021
Purchases:						
Goods:						
Zydus Healthcare Limited	295	512	-	-	-	-
Zydus VTEC Limited	838	-	-	-	-	-
Nesher Pharmaceuticals (USA) LLC	344	-	-	-	-	-
Oneiro Chemicals Private Limited	-	-	-	-	378	-
Others	19	20	1	10	3	4
Total	1,496	532	1	10	381	4
Property, Plant and Equipment:						
Cadmach Machinery Company Private Limited	-	-	-	-	29	60
Hercon Pharmaceuticals LLC [USA]	4	-	-	-	-	-
Others	5	1	-	-	-	-
Total	9	1	-	-	29	60
Reimbursement of Expenses paid:						
Zydus Pharmaceuticals (USA) Inc.	1,572	2,472	-	-	-	-
Others	400	405	16	4	-	-
Total	1,972	2,877	16	4	-	-
Services:						
Zydus Healthcare Limited	109	101	-	-	-	-
Zydus Infrastructure Private Limited	-	-	-	-	106	112
Others	5	1	-	-	33	22
Total	114	102	-	-	139	134
Sales:						
Goods:						
Zydus Pharmaceuticals (USA) Inc.	43,703	45,411	-	-	-	-
Others	6,887	6,812	254	259	21	2
Total	50,590	52,223	254	259	21	2
Property, Plant and Equipment:						
Zydus VTEC Limited	250	-	-	-	-	-
Others	13	27	-	-	-	-
Total	263	27	-	-	-	-
Reimbursement of Expenses Recovered:						
Zydus Worldwide DMCC	105	144	-	-	-	-
Zydus Animal Health and Investments Limited	195	1	-	-	-	-
Others	19	17	1	1	-	-
Total	319	162	1	1	-	-

Notes to the Financial Statements

NOTE: 41-RELATED PARTY TRANSACTIONS - Continued:

Nature of Transactions	Value of the Transactions [₹-Million]					
	Subsidiary Companies		Joint Venture Companies		Enterprises significantly influenced by Directors and/ or their relatives	
	Year ended March 31,					
	2022	2021	2022	2021	2022	2021
Services:						
Zydus Worldwide DMCC	184	693	-	-	-	-
Zydus Healthcare Limited	552	540	-	-	-	-
Zydus Pharmaceuticals (USA) Inc.	239	129	-	-	-	-
Others	222	125	-	-	1	-
Total	1,197	1,487	-	-	1	-
CSR Expenses:						
Zydus Foundation	270	254	-	-	-	-
Advance CSR contribution:						
Zydus Foundation	-	531	-	-	-	-
Investments:						
Subscription to Share Capital:						
Zydus Noveltech Inc	-	3,252	-	-	-	-
Others	-	84	-	-	-	-
Total	-	3,336	-	-	-	-
Capital Reduction/ Impairment [Note-46]:						
Zydus International Private Limited	-	1,875	-	-	-	-
Zydus Noveltech Inc	3,193	-	-	-	-	-
Total	3,193	1,875	-	-	-	-
Redemption of Investments:						
Zydus Healthcare Limited	10,065	-	-	-	-	-
Zydus Animal Health and Investments Limited	5,000	-	-	-	-	-
Others	-	-	40	-	-	-
Total	15,065	-	40	-	-	-
Dividend Received:						
Zydus Wellness Limited	183	-	-	-	-	-
Zydus Hospira Oncology Private Limited	-	-	250	325	-	-
Zydus Takeda Healthcare Private Limited	-	-	-	111	-	-
Others	-	33	-	-	-	-
Total	183	33	250	436	-	-
Finance:						
Inter Corporate Loans given:						
Zydus Pharmaceuticals (USA) Inc.	-	12,569	-	-	-	-
Zydus Worldwide DMCC	1,506	5,413	-	-	-	-
Zydus Healthcare Limited	-	6,750	-	-	-	-
Zydus VTEC Limited	2,392	1,030	-	-	-	-
Zydus Pharmaceuticals Limited	393	870	-	-	-	-
Others	-	907	-	-	-	-
Total	4,291	27,539	-	-	-	-

Notes to the Financial Statements

NOTE: 41-RELATED PARTY TRANSACTIONS - Continued:

Nature of Transactions	Value of the Transactions [₹-Million]					
	Subsidiary Companies		Joint Venture Companies		Enterprises significantly influenced by Directors and/ or their relatives	
	Year ended March 31,					
	2022	2021	2022	2021	2022	2021
Inter Corporate Loans repaid by:						
Zydus Healthcare Limited	-	6,881	-	-	-	-
Zydus VTEC Limited	3,422	-	-	-	-	-
Zydus Pharmaceuticals Limited	1,263	-	-	-	-	-
Others	-	29	-	-	-	-
Total	4,685	6,910	-	-	-	-
Inter Corporate Loans accepted:						
Zydus Healthcare Limited	-	7,000	-	-	-	-
Inter Corporate Loans repaid to:						
Zydus Healthcare Limited	5,300	4,000	-	-	-	-
Interest Income:						
Zydus International Private Limited	23	32	-	-	-	-
Zydus Pharmaceuticals Limited	11	18	-	-	-	-
Zydus Healthcare Limited	-	45	-	-	-	-
Zydus Pharmaceuticals (USA) Inc.	87	39	-	-	-	-
Zydus Worldwide DMCC	42	15	-	-	-	-
Zydus VTEC Limited	72	9	-	-	-	-
Others	-	-	5	17	-	-
Total	235	158	5	17	-	-
Interest Expense:						
Zydus Healthcare Limited	156	230	-	-	-	-
Nature of Transactions	As at March 31,					
	2022	2021	2022	2021	2022	2021
Outstanding:						
Payable:						
Zydus Pharmaceuticals (USA) Inc.	447	1,849	-	-	-	-
Zydus Healthcare Limited	2,133	7,461	-	-	-	-
Zydus VTEC Limited	685	9	-	-	-	-
Others	374	651	1	1	98	25
Total	3,639	9,970	1	1	98	25
Receivable:						
Zydus Worldwide DMCC	8,889	6,936	-	-	-	-
Zydus Pharmaceuticals (USA) Inc.	27,095	22,646	-	-	-	-
Others	6,160	8,151	14	94	50	1
Total	42,144	37,733	14	94	50	1
Guarantees:						
Zydus Pharmaceuticals (USA) Inc.	5,687	2,560	-	-	-	-
Zydus International Private Limited	7,582	7,314	-	-	-	-
Zydus VTEC Limited	2,500	-	-	-	-	-
Sentynl Therapeutics Inc.	-	2,926	-	-	-	-
Total	15,769	12,800	-	-	-	-

Notes to the Financial Statements

NOTE: 41-RELATED PARTY TRANSACTIONS - Continued:

b Details relating to persons referred to in Note-41-A [a] above:

	₹-Million	
	Year ended March 31, 2022	Year ended March 31, 2021
[i] Dividend paid	2,682	-

c Details relating to persons referred to in Note-41-A [d] above:

	₹-Million	
	Year ended March 31, 2022	Year ended March 31, 2021
[i] Salaries and other employee benefits to Chairman, Managing Director, Executive Director and other executive officers	431	624
[ii] Commission and Sitting Fees to Non Executive/ Independent Directors	24	23
[iii] Outstanding payable to above (i) and (ii)	73	110

d Details relating to persons referred to in Note-41-A [f] above:

	₹-Million	
	Year ended March 31, 2022	Year ended March 31, 2021
[i] Contributions [including Employees' share and contribution]	754	776

NOTE: 42-DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186(4) OF THE COMPANIES ACT, 2013:

A Details of loans and investments are given under the respective heads.

B Corporate guarantees given by the Company [#]:

	₹-Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Subsidiary Companies:		
a Zydus Pharmaceuticals (USA) Inc.	5,687	2,560
b Zydus International Private Limited	7,582	7,314
c Zydus VTEC Limited	2,500	-
d Sentyln Therapeutic Inc.	-	2,926
Total	15,769	12,800

[#] Corporate guarantees which are outstanding at the end of the respective financial year, are given for business purpose.

NOTE: 43-FINANCIAL INSTRUMENTS:

A Fair values hierarchy:

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 : Quoted prices [unadjusted] in active markets for financial instruments.

Level 2 : Inputs other than quoted prices included within Level 1 which are observable for the assets or liabilities, either directly or indirectly.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Notes to the Financial Statements

NOTE: 43-FINANCIAL INSTRUMENTS - Continued:

B Financial assets and liabilities measured at fair value - recurring fair value measurements:

₹-Million

	As at March 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVTPL:				
Derivative not designated as hedge:				
Forward Contract value related to investment in a Joint Venture	-	-	1,714	1,714
Derivative designated as hedge:				
Receivables for Forward Contract	-	252	-	252
Financial Investments at FVOCI:				
Quoted equity instruments	887	-	-	887
Unquoted equity instruments	-	11	-	11
Total financial assets	887	263	1,714	2,864
Financial liabilities	-	-	-	-

	As at March 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVTPL:				
Derivative not designated as hedge:				
Forward Contract value related to investment in a Joint Venture	-	-	1,590	1,590
Derivative designated as hedge:				
Receivables for Forward Contract	-	348	-	348
Financial Investments at FVOCI:				
Quoted equity instruments	852	-	-	852
Unquoted equity instruments	-	8	-	8
Total financial assets	852	356	1,590	2,798
Financial liabilities	-	-	-	-

C Fair value of instruments measured at amortised cost:

Financial assets and liabilities measured at amortised cost for which fair values are disclosed:

₹-Million

	Carrying Value	As at March 31, 2022			Total
		Level 1	Level 2	Level 3	
Financial assets:					
Investment in preference shares	60	-	60	-	60
Bonds	2,695	2,695	-	-	2,695
Loans to related parties	9,178	-	-	9,175	9,175
		As at March 31, 2021			
Financial assets:					
Investment in preference shares	107	-	107	-	107
Bonds	102	102	-	-	102
Loans to related parties	9,127	-	-	9,124	9,124

Notes to the Financial Statements

NOTE: 43-FINANCIAL INSTRUMENTS - Continued:

Financial Assets:

The carrying amounts of trade receivables, loans and advances to related parties and other financial assets [other than investment in preference shares], cash and cash equivalents are considered to be the approximately equal to the fair values.

Financial Liabilities:

Fair values of loans from banks, other financial liabilities and trade payables are considered to be approximately equal to the carrying values.

Fair values of investment in preference shares were calculated based on cash flows discounted using the applicable adjusted market interest rates.

D Valuation process and technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- a The use of quoted market prices for similar instruments.
- b Fair value of Forward Contract value related to investment in a Joint Venture has been determined considering the estimated exercise price and value of the underlying entity. The valuation has been derived using the Present Value technique under Income Approach. The valuation includes significant unobservable inputs like Weighted Average Cost of Capital [WACC], revenue forecast, etc.

Significant unobservable inputs:

Budgeted Sales growth rate : 11.5% per annum

Weighted Average Cost of Capital : 7.1% per annum

For recurring fair value measurements using significant unobservable inputs [Level 3], the effect of the measurement on profit or loss or other comprehensive income for the period is provided below:

Movement in Forward Contract value related to investment in a Joint Venture:

	₹-Million	
	As at March 31, 2022	As at March 31, 2021
Value as at beginning of the year	1,590	1,866
Add/ [Less] : Gain/ [Loss] on valuation of Forward Contract value related to investment in a Joint Venture	123	(276)
Value as at end of the year	1,714	1,590
Out of above, amount disclosed under-		
Other Non-Current Financial Assets [Note-6]	1,714	1,590

Sensitivity analysis for valuation of Forward Contract value related to investment in a Joint Venture:

a Sensitivity in value for 50 basis points change in Weighted Average Cost of Capital [WACC]-

	₹-Million			
	As at March 31, 2022		As at March 31, 2021	
	-0.50%	+0.50%	-0.50%	+0.50%
Impact on value of the contract	24	(24)	30	(30)

Notes to the Financial Statements

NOTE: 44-FINANCIAL RISK MANAGEMENT:

A Financial instruments by category:

₹-Million

	As at March 31, 2022			Total
	FVTPL	FVOCI	Amortised Cost	
Financial assets:				
Investments:				
Equity instruments [other than investment in Equity of Subsidiaries and Joint Ventures]	-	898	-	898
Preference shares	-	-	60	60
Mutual funds	2,205	-	-	2,205
Bonds	-	-	2,695	2,695
Debentures	-	-	6	6
Non Current Loans	-	-	9,178	9,178
Non Current Other Financial Assets [other than Forward Contract value related to investment in a JV]	-	-	91	91
Trade receivables	-	-	22,777	22,777
Forward Contract value related to investment in a JV	1,714	-	-	1,714
Cash and Cash Equivalents	-	-	3,026	3,026
Current Loans	-	-	14,763	14,763
Receivables for Forward Contract	252	-	-	252
Other Current Financial Assets [other than Receivables for Forward Contract]	-	-	917	917
Total	4,171	898	53,513	58,582
Financial liabilities:				
Borrowings [including current maturities and interest accrued but not due]	-	-	26,680	26,680
Trade payables	-	-	10,652	10,652
Non Current Other Financial Liabilities	-	-	157	157
Payable for Capital Goods	-	-	673	673
Other Current Financial Liabilities	-	-	1,616	1,616
Total	-	-	39,778	39,778

Notes to the Financial Statements

NOTE: 44-FINANCIAL RISK MANAGEMENT - Continued:

₹-Million

	As at March 31, 2021			Total
	FVTPL	FVOCI	Amortised Cost	
Financial assets:				
Investments:				
Equity instruments [other than investment in Equity of Subsidiaries and Joint Ventures]	-	860	-	860
Preference shares	-	-	107	107
Bonds	-	-	102	102
Non Current Loans	-	-	9,127	9,127
Non Current Other Financial Assets [other than Forward Contract value related to investment in a JV]	-	-	83	83
Trade receivables	-	-	19,038	19,038
Forward Contract value related to investment in a JV	1,590	-	-	1,590
Cash and Cash Equivalents	-	-	1,540	1,540
Current Loans	-	-	14,358	14,358
Receivables for Forward Contract	348	-	-	348
Other Current Financial Assets [other than Receivables for Forward Contract]	-	-	1,672	1,672
Total	1,938	860	46,027	48,825
Financial liabilities:				
Borrowings [including current maturities and interest accrued but not due]	-	-	39,260	39,260
Trade payables	-	-	11,260	11,260
Non Current Other Financial Liabilities	-	-	128	128
Payable for Capital Goods	-	-	685	685
Other Current Financial Liabilities	-	-	1,277	1,277
Total	-	-	52,610	52,610

B Risk Management:

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

The Company's risk management is done in close co-ordination with the board of directors and focuses on actively securing the Company's short, medium and long-term cash flows by minimizing the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below:

a Credit risk:

Credit risk arises from the possibility that counter party may not be able to settle its obligations as agreed. The Company is exposed to credit risk from investment in preference shares measured at amortised cost, loans and advances to related parties, trade receivables, bank deposits and other financial assets. The Company periodically

Notes to the Financial Statements

NOTE: 44-FINANCIAL RISK MANAGEMENT - Continued:

assesses the financial reliability of the counter party taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual customer limits are set accordingly.

i Investments at Amortised Cost : They are strategic investments in the normal course of business of the company.

ii Bank deposits : The Company maintains its Cash and cash equivalents and Bank deposits with reputed and highly rated banks.

Hence, there is no significant credit risk on such deposits.

iii Loans to related parties : They are given for business purposes. The Company reassesses the recoverability of loans periodically.

Interest recoveries from these loans are regular and there is no event of defaults.

iv The counter party to the forward contract value related to the Investment in a Joint Venture is the associate entity of co-venturer of one of Joint Ventures. The contract is governed by a shareholders' agreement which has the needful representations by the counter party. The Company is exposed to insignificant credit risk in relation to the same.

v Trade Receivable: The Company trades with recognized and credit worthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Company's exposure to credit losses is not significant.

vi There are no significant credit risks with related parties of the Company. The Company is exposed to credit risk in the event of non-payment by customers. Credit risk concentration with respect to trade receivables is mitigated by the Company's large customer base. Adequate expected credit losses are recognized as per the assessments. No single third party customer contributes to more than 10% of outstanding accounts receivable [excluding outstanding from subsidiaries] as at March 31, 2022 and March 31, 2021.

The Company has used lifetime expected credit loss [ECL] model for assessing the impairment loss. For the purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.

Financial assets for which loss allowances is measured using the expected credit loss:

	₹-Million	
	As at March 31, 2022	As at March 31, 2021
Trade Receivables:		
Less than 180 days	22,516	18,597
180 - 365 days	140	216
Above 365 days	121	225
Total	22,777	19,038
Movement in the expected credit loss allowance on trade receivables:		
Balance at the beginning of the year	53	33
Addition	19	32
Recoveries	(12)	(12)
Balance at the end of the year	60	53

Notes to the Financial Statements

NOTE: 44-FINANCIAL RISK MANAGEMENT - Continued:

Other than trade receivables, the Company has no significant class of financial assets that is past due but not impaired.

b Liquidity risk:

- a Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.
- b Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which it operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities:

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

₹-Million

	< 1 year	1-2 year	2-3 year	> 3 years	Total
As at March 31, 2022					
Non-derivative Financial Liabilities:					
Borrowings [including current maturities and interest]	25,548	1,276	-	-	26,824
Other non current financial liabilities	-	2	1	158	161
Trade payable	10,652	-	-	-	10,652
Accrued Expenses	1,555	-	-	-	1,555
Payable for Capital Goods	673	-	-	-	673
Other Current Financial Liabilities	61	-	-	-	61
	38,489	1,278	1	158	39,926
Corporate Guarantees	-	-	13,269	2,500	15,769
Total	38,489	1,278	13,270	2,658	55,695

	< 1 year	1-2 year	2-3 year	> 3 years	Total
As at March 31, 2021					
Non-derivative Financial Liabilities:					
Borrowings [including current maturities and interest]	33,542	4,931	1,228	-	39,701
Other non current financial liabilities	-	14	2	112	128
Trade payable	11,260	-	-	-	11,260
Accrued Expenses	1,209	-	-	-	1,209
Payable for Capital Goods	685	-	-	-	685
Other Current Financial Liabilities	68	-	-	-	68
	46,764	4,945	1,230	112	53,051
Corporate Guarantees	7,314	2,926	-	2,560	12,800
Total	54,078	7,871	1,230	2,672	65,851

Notes to the Financial Statements

NOTE: 44-FINANCIAL RISK MANAGEMENT - Continued:

c Foreign currency risk:

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar.

Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company's operations in foreign currency creates natural foreign currency hedge. This results in insignificant net open foreign currency exposures considering the volumes and operations of the Company.

Foreign currency risk exposure:

Sensitivity*:

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:

	As at March 31, 2022			As at March 31, 2021		
	Movement in Rate	Impact on PAT [*]	Impact on Other Equity [*]	Movement in Rate	Impact on PAT [*]	Impact on Other Equity [*]
USD	4.00%	984	13	7.00%	635	19
USD	-4.00%	(984)	(13)	-7.00%	(635)	(19)
Others	2.00%	46	-	5.00%	23	-
Others	-2.00%	(46)	-	-5.00%	(23)	-

₹-Million

* Holding all other variables constant

d Interest rate risk:

Liabilities:

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. As at March 31, 2022, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in Fixed Deposits are at fixed interest rates.

Sensitivity*:

Below is the sensitivity of profit or loss and equity changes in interest rates:

	Movement in Rate	₹-Million	
		As at March 31, 2022	As at March 31, 2021
Interest rates	+0.50%	(87)	(128)
Interest rates	-0.50%	87	128

* Holding all other variables constant

e Price risk:

Exposure:

The Company's exposure to price risk arises from investments in equity and mutual funds held by the Company and classified in the balance sheet as fair value through OCI and at fair value through profit or loss respectively. To manage its price risk arising from investments in equity securities and mutual funds, the Company diversifies its portfolio.

Diversification of the portfolio is done in accordance with the limits set by the Company.

Notes to the Financial Statements

NOTE: 44-FINANCIAL RISK MANAGEMENT - Continued:

Sensitivity*:

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the period.

	Movement in Rate	As at March 31, 2022		As at March 31, 2021	
		Impact on PAT	Impact on Other Equity	Impact on PAT	Impact on Other Equity
Equity Instruments [Quoted]					
Increase	+10.00%	-	89	-	85
Decrease	-10.00%	-	(89)	-	(85)
Mutual Funds [Quoted]					
Increase	+2.00%	44	-	-	-
Decrease	-2.00%	(44)	-	-	-

* Holding all other variables constant

C Hedge:

Disclosure of effects of hedge accounting on financial position:

Hedged item - Changes in fair value of trade receivables and loan receivables from overseas entity attributable to changes in foreign exchange rates

Hedging instrument - Changes in fair value of forward contracts attributable to foreign exchange rates [including foreign currency borrowings in previous year]

As at March 31, 2022						
Type of hedged risk	Carrying amount [USD-Million]	Carrying amount [₹-Million]	Maturity Date	Hedge Ratio	Balance sheet classification	Changes in fair value relating to hedged risk [₹-Million]
Fair Value Hedge:						
Hedging instrument: Certain Forward Contracts	355	26,916	Range - Within 7 months	1:1	Other Current Financial Assets	252
Hedged item: Certain foreign currency trade receivables and loan receivables	355	26,916	Range - Within 7 months		Trade Receivables and Loans	252
As at March 31, 2021						
Type of hedged risk	Carrying amount [USD-Million]	Carrying amount [₹-Million]	Maturity Date	Hedge Ratio	Balance sheet classification	Changes in fair value relating to hedged risk [₹-Million]
Fair Value Hedge:						
Hedging instrument: Certain Foreign currency borrowings and forward contracts	355	25,965	Range - Within 7 months	1:1	Borrowings and Other Current Financial Assets	413
Hedged item: Certain foreign currency trade receivables and loan receivables	355	25,965	Range - Within 7 months		Trade Receivables and Loans	413

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Company uses the dollar offset method to assess effectiveness. There was no hedge ineffectiveness in any of the periods presented above.

Notes to the Financial Statements

NOTE: 45-CAPITAL MANAGEMENT:

The Company's capital management objectives are:

- a To ensure the Company's ability to continue as a going concern
- b To provide an adequate return to shareholders
- c To maintain an optimal capital structure to reduce the cost of capital.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

	₹-Million	
	As at March 31, 2022	As at March 31, 2021
Gross debts	26,626	39,159
Total equity	132,405	127,445
Gross debt to equity ratio [No. of times]	0.20	0.31

Loan covenants:

Under the terms of the major borrowing facilities, the Company is required to comply with the following financial covenants, based on consolidated financial information:

- Gross Debt to Equity must be less than 2:1

This is in line with the Company's covenants as agreed with external Lenders.

NOTE: 46-EXCEPTIONAL ITEMS:

- A Pursuant to closure of business operations by Zydus Noveltch Inc., a wholly owned subsidiary of the Company in the USA, the Company has made provision for impairment of ₹ 3,193 Million in the value of investment in the common stock of Zydus Noveltch Inc. The same has been disclosed as exceptional item for current year.
- B Pursuant to the scheme of capital reduction in Zydus International Private Limited ["ZIPL"], Ireland, a wholly owned subsidiary of the Company, per share face value of the equity share of ZIPL has been reduced from EUR 1.462843 to EUR 1.1251. As a result, the cost of investment of the Company in the equity shares of ZIPL has been reduced by ₹ 1,875 Million. The same has been disclosed as exceptional item for previous year.

NOTE: 47-LEASES:

Lessee:

A Relating to statement of financial position:

- 1 Under Ind AS 116, the Company recognises right to use assets and lease liabilities for most leases.

Right of use assets are part of financial statement caption "Property plant and equipment". Depreciation and impairment is similar to measurement of owned assets. Lease liabilities are part of financial statement captions "non-current financial liabilities" and "current financial liabilities". Interest is part of financial statement caption "Finance expense".

Notes to the Financial Statements

NOTE: 47-LEASES - Continued:

	₹-Million		
Right of use assets	Land	Buildings	Total
As at April 1, 2020	413	55	468
Additions during the year	-	10	10
Depreciation charge for the year	4	17	21
Adjustments during the year	-	(12)	(12)
Balance as at March 31, 2021 [Net]	409	36	445
Additions during the year	-	-	-
Depreciation charge for the year	5	18	23
Adjustments during the year	-	-	-
Balance as at March 31, 2022 [Net]	404	18	422

The Company leases assets which include office buildings and warehouse spaces.

2 Movement in lease liabilities:

	₹-Million	
	As at March 31, 2022	As at March 31, 2021
Lease liability at the beginning of the year	40	59
Additions	3	14
Redemptions	(22)	(33)
Lease liability at end of the year	21	40
of which:		
Current portion	13	19
Non current portion	8	21

2.1 Maturity analysis of lease liabilities:

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities is as follows:

	₹-Million	
	As at March 31, 2022	As at March 31, 2021
Minimum lease payments due		
Within 1 year	13	19
1-5 years	12	26

Lessor:

The Company leases out certain properties and classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

	₹-Million	
	As at March 31, 2022	As at March 31, 2021
Lease payments due to be received:		
Within 1 year	59	47
1-5 years	1,217	1,266
Total undiscounted lease payments	1,276	1,313

Notes to the Financial Statements

NOTE: 47-LEASES - Continued:

Description of lease activities:

Real estate lease:

The Company leases buildings for its offices and warehouse space. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leases are typically made for a fixed period of 3- 10 years and may include extension options which provide operational flexibility. Majority of the leases are cancellable by either parties by serving notice period.

NOTE: 48-TITLE DEEDS OF PROPERTY NOT HELD IN THE COMPANY'S OWN NAME [EXCLUDING LEASE ASSETS] AS AT MARCH 31, 2022:

₹- Million

	Holding Since	Gross Carrying Value			
		As at March 31, 2022		As at March 31, 2021	
		Leasehold Land	Freehold Building	Leasehold Land	Freehold Building
A Property, Plant and Equipment:					
a Title deeds held in the name of [\$]					
1 Alidac Pharmaceuticals Limited [APL]	1-Apr-19	29	150	29	150
2 Zydus Technologies Limited [ZTL]	1-Apr-19	70	981	70	981
3 Liva Pharmaceuticals Limited [LPL]	1-Apr-19	-	337	-	337
b Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director		No	No	No	No

[\$] Pursuant to a scheme of amalgamation, the properties and other assets and liabilities of APL, ZTL and LPL, were transferred to and vested in the Company with effect from April 1, 2019. The Company is in the process of transferring the title of above properties in its name.

NOTE: 49-ANALYTICAL RATIOS:

Sr. No	Ratio	Numerator	Denominator	FY 21-22	FY 20-21	% Change
1	Current Ratio [*]	Current Assets	Current Liabilities	1.70	1.25	35.7%
2	Debt-Equity Ratio [**]	Total Debt	Shareholder's Equity	0.20	0.31	-34.6%
3	Debt Service Coverage Ratio [\$]	Earnings available for debt service @	Finance cost + Repayment of debt	1.35	1.92	-29.4%
4	Return on Equity Ratio [#]	Net Profits after taxes @@	Average Shareholder's Equity	9.1%	13.9%	-34.6%
5	Inventory turnover ratio	Net Sales	Average Inventory	4.10	4.68	-12.6%
6	Trade Receivables turnover ratio	Net Sales	Average Trade Receivables	3.63	3.41	6.4%
7	Trade payables turnover ratio	Net Purchases and Other Expenses	Average Trade Payables	4.48	4.69	-4.5%
8	Net capital turnover ratio [*]	Net Sales	Average Working Capital	3.78	5.82	-35.2%
9	Net profit ratio [#]	Net Profits after taxes @@	Net Sales	15.5%	22.4%	-30.7%
10	Return on Capital employed	Earnings before interest and taxes	Average Capital Employed	9.9%	12.2%	-19.2%

Notes to the Financial Statements

NOTE: 49-ANALYTICAL RATIOS: - Continued:

Sr. No	Ratio	Numerator	Denominator	FY 21-22	FY 20-21	% Change
11	Return on investments:					
a	Fixed Deposits [-]	Income from investments during the year	Time weighted average of investments	5.8%	4.2%	40.5%
b	Mutual Funds	Income from investments during the year	Time weighted average of investments	3.4%	2.9%	16.5%
c	Bonds	Income from investments during the year	Time weighted average of investments	8.0%	8.8%	-9.1%
d	Quoted Investments [^]	Income from investments during the year	Time weighted average of investments	11.5%	76.7%	-85.0%

[*] Mainly due to increase in current investments, Cash and Cash Equivalents and reduction in working capital loans.

[**] Mainly driven by reduction in debt.

[\$] Decrease is due to reduction in profit and higher repayment of debt during the year.

[#] Decrease is due to higher impairment provision, reduction in profit and higher tax.

[-] Mainly due to maturity profile of the fixed deposits placed by the Company.

[^] Mainly due to market indices.

[@] Net profit after taxes + non cash operating expenses + finance cost - other income.

[@@] Net profit after taxes + exceptional items.

NOTE: 50-COVID 19 IMPACT:

The World Health Organisation [WHO] declared Covid-19 to be a global pandemic in March 2020. Majority of the countries across the globe were into partial or full lockdown situation, impacting business operations across various sectors with severe restrictions on movement of people and goods. The Company has implemented several initiatives across its manufacturing and other business locations including allowing work from homes, social distancing at work places and proper sanitization of work places etc. for ensuring safety of its employees and continuity of its business operations with minimal disruption. The Company operates in manufacturing and selling of pharmaceutical products, which are classified as essential commodities and hence its operations continued to be run with fewer challenges on people movement and supply chain.

As per the current assessment of the situation based on the internal and external information available up to the date of approval of these financial statements by the Board of Directors, the Company believes that the impact of Covid-19 on its business, assets, internal financial controls, profitability and liquidity, both present and future, would be limited and there is no indication of any material impact on the carrying amounts of inventories, goodwill, intangible assets, trade receivables, investments and other financial assets. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements and the Company will closely monitor any material changes to the economic environment and their impact on its business in the times to come.

NOTE: 51:

- The Company has not advanced or loaned or invested funds [either from borrowed funds or share premium or any other sources or kind of funds] to any other persons or entities, including foreign entities [Intermediaries], with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company [Ultimate Beneficiaries] or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company has not received any funds from any persons or entities, including foreign entities [Funding Party] with the understanding [whether recorded in writing or otherwise], that the Company shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party [Ultimate Beneficiaries] or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes to the Financial Statements

NOTE: 52-DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES:

The Company did not have any material transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the current and previous financial year.

NOTE: 53:

Figures of previous reporting year have been regrouped/ reclassified to conform to current year's classification.

Signatures to Significant Accounting Policies and Notes 1 to 53 to the Financial Statements

For and on behalf of the Board

Pankaj R. Patel
Chairman
DIN: 00131852

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995
Ahmedabad
May 20, 2022

Independent Auditor's Report

To The Members of Zydus Lifesciences Limited
(formerly known as Cadila Healthcare Limited)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Zydus Lifesciences Limited (formerly known as Cadila Healthcare Limited) ("the **Parent**") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the **Group**") which includes the Group's share of profit in its joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, in which are incorporated the Returns of the branch of the Group located at Philippines, audited by the branch auditor.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the audit reports of the other auditors and the branch auditor on separate financial statements of the subsidiaries and joint ventures, and the branch, referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the **Act**") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('**Ind AS**'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and their consolidated profit, their consolidated total comprehensive

income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ("**SAs**"). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("**ICAI**") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors and the branch auditor in terms of their reports referred to in sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. Key Audit Matter No.	Auditor's Response
<p>1. Assessment of impairment of goodwill and other intangible assets in respect of certain subsidiaries, namely, Zydus Wellness Products Limited, Zydus Nikkho Farmaceutica Ltda, Sentyln Therapeutics Inc and Zydus Worldwide DMCC, as applicable, not audited by us, having aggregate carrying values of ₹ 45,924 million and ₹ 6,428 million respectively, as at March 31, 2022, in the consolidated financial statements [Refer Notes 2.3, 2.6b and 3B to the consolidated financial statements]</p> <p>The Group's evaluation of impairment of goodwill and other intangible assets involves comparison of its recoverable amount to its carrying amount.</p> <p>The recoverable amount is determined based on value in use, which represents the present value of the estimated future cash flows expected to arise from the use of the asset group comprising each cash generating unit. There is a risk that the goodwill / other intangible assets will be impaired if these cash flows do not meet the Group's expectations.</p> <p>In addition to significance of the amounts involved, management's assessment process is complex as it involves significant judgement in determining the assumptions to be used to estimate the forecasted cash flows, principally relating to long-term revenue growth rates, perpetual growth rate, and the discount rate used.</p> <p>Considering the materiality of amounts involved together with the inherent subjectivity related to principal assumptions, this has been considered as a key audit matter by the respective component auditors.</p>	<p>We had discussions with the component auditors of the respective entities with regard to the assessment of impairment of such goodwill and other intangible assets and performed oversight procedures. Also, we sent out referral instructions to the component auditors and evaluated the responses received from them.</p> <p>The procedures reported to have been applied in this area by the respective component auditors included the following:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of the internal controls relating to review of impairment assessment process, including those over the forecast of future revenues, growth rate, terminal values and the selection of the appropriate discount rate. • Evaluated the reasonableness of the key estimates by comparing the forecasts to historical revenues, margins, growth rate, etc. • Evaluated the reasonableness of the valuation methodology, discount rate and perpetual growth rates used in the computation of value-in-use assessment. • Performed sensitivity analysis around the key estimates to ascertain the extent of change in those assumptions that either individually or collectively would be required for the Goodwill and Other Intangible assets tested to be impaired. • Tested the mathematical and clerical accuracy of the model to conclude that the model is accurately calculating the value in use, using the appropriate methodology.

Sr. Key Audit Matter No.	Auditor's Response
<p>2. Chargebacks, price adjustment, product returns, rebates, medic aids, discounts and other related accruals by Zydus Pharmaceuticals (USA) Inc., a subsidiary, not audited by us [as described in Notes 2.8 and 32 to the Consolidated Financial Statements]</p> <p>The subsidiary makes sales to customers in the United States of America ("USA") that fall under certain reimbursement schemes and mandated contracts of which the most significant are chargebacks, price adjustment, rebates, medic aids, and discounts. The subsidiary also provides a right of return to its customers for its products. These arrangements result in deductions to gross sales and give rise to obligations for the subsidiary, which for unsettled amounts are recognised as an accrual.</p> <p>Considering the complexities of the arrangements and involvement of significant estimations in determining appropriate accruals, this has been considered as a key audit matter by the component auditor.</p>	<p>We had discussions with the component auditor with regard to the said accruals and performed oversight procedures. Also, we sent out referral instructions to the component auditor and evaluated the responses received from them.</p> <p>The procedures reported have been applied in this area by the component auditor included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the management process for estimation and accounting treatment of transactions arising from various schemes and mandated contracts. • Obtained the calculations for accruals under respective contractual arrangements / reimbursement schemes and test checked the calculations by reference to the commercial policies, the terms of applicable contracts, stock levels at wholesalers, historical levels of product returns, actual sales, claim settlements etc. • Performed retrospective reviews of the accruals recorded during the previous year. • Test checked subsequent settlements / payments made to customers under various schemes and arrangements to determine adequacy of the accruals made at year end. • Tested the mathematical accuracy of the calculations.
<p>3. Legal Proceedings involving Zydus Pharmaceuticals (USA) Inc., a subsidiary, not audited by us [as described in Notes 2.6F, 2.19 and 29B to the consolidated financial statements]</p> <p>The subsidiary is involved in various legal proceedings which include claims pursuant to contracts with third parties, claims related to product liabilities, employment claims, anti-trust and other regulatory matters. Most of the claims involve complex issues. The component, assisted by its' external legal counsel assesses the need to make provision or disclose a contingency (unless the possibility of an outflow of resources embodying economic benefits is considered remote) on a case-to-case basis considering the underlying facts of each litigation.</p> <p>The assessment, accounting and disclosure is complex and involves exercise of judgement by the management (due to the difficulty in predicting the outcome of the matter and also estimating the potential impact if the outcome is unfavourable), and the amounts involved could be material to the consolidated financial statements.</p> <p>Considering the complexity and the significance of the matters involved requiring management judgement and estimates, this has been considered as a key audit matter by the component auditor.</p>	<p>We had discussions with the component auditor with regard to their assessment of the accounting / disclosure by the component of the said matters and performed oversight procedures. Also, we sent out referral instructions to the component auditor and evaluated the responses received from them.</p> <p>The procedures reported to have been applied in this area by the component auditor included the following:</p> <ul style="list-style-type: none"> • Obtained a list of litigations from the in-house legal counsel of the entity; identified material litigations from the aforementioned list and performed inquiries with the said counsel; obtained and read the underlying documents to assess the assumptions used by management in arriving at the conclusions. • Solicited legal letters from the external legal counsels appointed by management. For responses received, read their assessment to corroborate the assessment made by the management. • Evaluated adequacy of disclosures to be made in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Business Responsibility Report, Board's Report and Corporate Governance Report but does not include the consolidated financial statements, the standalone financial statements and our audit reports thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of subsidiaries, joint ventures and branch audited by the other auditors and branch auditor, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and branch auditor and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, joint ventures and branch, is traced from their financial statements audited by the other auditors and the branch auditor.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

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

The respective Board of Directors of the companies included in the Group and of its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures

that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, its joint ventures and the branch to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities and its business activities included in the consolidated financial statements of which we are the independent auditors. For the entities and the branch and their business activities included in the consolidated financial statements, which have been audited by the other auditors or the branch auditor, such other auditor and the branch auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

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

Other Matters

- a) We did not audit the financial statements of 25 subsidiaries, whose financial statements reflect total assets of ₹ 2,16,743 million as at March 31, 2022 and total revenues of ₹ 91,304 million and net cash inflows amounting to ₹ 15,940 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.
- b) We did not audit the financial statements of the branch included in the standalone financial Statements of Parent whose financial statements reflect total assets of ₹ 9.82 million as at December 31, 2021 and total revenues of ₹ 0.13 million for the year ended on that date, as considered in the standalone financial statements of the Parent. The financial statements of this branch have been audited by the branch auditor whose report has been furnished to us. The reporting date of the branch at December 31, 2021 is different from the reporting date of the Parent. No adjustments have been made by the Management of the Parent in respect of financial

information of the branch for the periods from January 1, 2021 to March 31, 2021 and January 1, 2022 to March 31, 2022 as the amounts are insignificant. Our opinion in so far as it relates to the amounts and disclosures included in respect of this branch and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid branch, is based solely on the report of such branch auditor.

- c) We did not audit the financial statements of 16 subsidiaries, whose financial statements reflect total assets of ₹ 35,092 million as at March 31, 2022, total revenues of ₹ 7,056 million and net cash outflows amounting to ₹ 111 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 497 million for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of 2 joint ventures, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors and the branch auditor on the separate financial statements of the subsidiaries and branch referred to in the Other Matters section above, we report, to the extent applicable that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept,

so far as it appears from our examination of those books, and the reports of the other auditors and the branch auditor.

- c) The report on the accounts of the branch office of the Parent, audited by the branch auditor has been sent to us and has been properly dealt with by us in preparing this report.
- d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- e) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
- f) On the basis of the written representations received from the directors of the Parent as on March 31, 2022 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies and a joint venture incorporated in India, none of the directors of the Group companies, and a joint venture company, incorporated in India, is disqualified as on March 31, 2022 from being appointed as a director in terms of section 164(2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in the "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies and a joint venture company, incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's report of subsidiary companies and a joint venture company, incorporated in India, the remuneration paid by the Parent and such subsidiary companies and a joint venture company, to their directors during the year is in accordance with the provisions of section 197 of the Act.

- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures.
 - ii) The Group and its joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies and joint venture companies incorporated in India.
 - iv) (a) The respective Managements of the Parent and its subsidiaries and a joint venture which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us (also as auditor of a joint venture) and to the other auditors of such subsidiaries that, to the best of their knowledge and belief, as disclosed in the note 55 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries and joint ventures to or in any other person or entity, including foreign entities ("**Intermediaries**"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries and joint ventures ("**Ultimate Beneficiaries**") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The respective Managements of the Parent and its subsidiaries, and a joint venture which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us (also as auditor of a joint venture) and to the other auditors of such subsidiaries that, to the best of their knowledge and belief, as disclosed in the note 55 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries and joint ventures to or in any other person or entity, including foreign entities ("**Funding Parties**"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries and joint ventures shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("**Ultimate Beneficiaries**") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and a joint venture which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v) The final dividend proposed in the previous year, declared and paid during the year by the Parent and its subsidiary, which are companies incorporated in India and whose financial statements have been audited under the Act, where applicable, is in accordance with section 123 of the Act, as applicable.
- As stated in note 31 to the consolidated financial statements, the Board of Directors of the Parent have proposed final dividend for the year which is subject to the approval of the members of the Parent at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.
- With respect to the matters specified in clause (xxi) of paragraph (3) and paragraph (4) of the Companies (Auditor's Report) Order, 2020 ("**CARO**")/"the **Order**") issued by the Central Government

in terms of section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that in respect of those companies where audits have been completed under section 143 of the Act, there are no qualifications or adverse remarks

by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements. Further, in respect of the following companies included in the consolidated financial statements, whose audit under section 143 of the Act has not yet been completed, the CARO report as applicable in respect of those companies are not available and consequently have not been provided to us as on the date of this audit report:

Name of the company	CIN	Nature of relationship
Zydus Hospira Oncology Private Limited	U24230GJ2005PTC046246	Joint Venture
Zydus Takeda Healthcare Private Limited	U24231MH1999PTC119171	Joint Venture

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh K. Hiranandani
Partner

(Membership No. 36920)
(UDIN:22036920AJHBXG2765)

Place : Ahmedabad
Date : May 20, 2022

Annexure to the Independent Auditor's Report

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

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Zydus Lifesciences Limited (formerly known as Cadila Healthcare Limited) (hereinafter referred to as "Parent") and its subsidiary companies and a joint venture, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Parent, its subsidiary companies and its joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies and a joint venture, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies and a joint venture, which are companies incorporated in India.

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS 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 to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, the Parent, its subsidiary companies and a joint venture, which are companies incorporated in India, have, 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 March 31, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

OTHER MATTER

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 13 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh K. Hiranandani
Partner
(Membership No. 36920)
(UDIN:22036920AJHBXG2765)

Place : Ahmedabad
Date : May 20, 2022

Consolidated Balance Sheet as at March 31, 2022

₹-Million

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS:			
Non-Current Assets:			
Property, Plant and Equipment	3 [A]	57,616	55,500
Capital work-in-progress	3 [C]	6,610	7,832
Goodwill	3 [B]	53,646	53,465
Other Intangible Assets	3 [B]	11,272	12,363
Investments in Joint Ventures	4	3,743	3,570
Financial Assets:			
Investments	5	5,605	2,742
Other Financial Assets	6	2,446	2,518
Deferred Tax Assets [Net]	7	10,958	10,744
Other Non-Current Assets	8	2,506	2,044
Assets for Current Tax [Net]	9	938	909
		155,340	151,687
Current Assets:			
Inventories	10	37,194	32,362
Financial Assets:			
Investments	11	23,532	1,989
Trade Receivables	12	33,403	31,273
Cash and Cash Equivalents	13 [A]	6,578	6,652
Bank Balances other than Cash and Cash Equivalents	13 [B]	4,491	2,231
Loans	14	-	-
Other Current Financial Assets	15	6,664	2,344
Other Current Assets	16	9,090	10,309
		120,952	87,160
Assets classified as held for sale	52	1,662	-
Total		277,954	238,847
EQUITY AND LIABILITIES:			
Equity:			
Equity Share Capital	17	1,024	1,024
Other Equity	18	168,972	128,899
Equity attributable to equity holders of the Parent		169,996	129,923
Non-Controlling Interests		20,542	19,373
		190,538	149,296
Non-Current Liabilities:			
Financial Liabilities:			
Borrowings	19	3,621	6,095
Lease Liabilities	30	161	151
Other Financial Liabilities	20	449	390
Provisions	21	3,250	3,095
Deferred Tax Liabilities [Net]	7	1,538	1,197
Other Non-Current Liabilities	22	3	10
		9,022	10,938
Current Liabilities:			
Financial Liabilities:			
Borrowings	23	38,339	39,740
Lease Liabilities	30	88	90
Trade Payables:			
Dues to Micro and Small Enterprises	24	280	228
Dues to other than Micro and Small Enterprises	24	21,098	21,831
Other Financial Liabilities	25	12,525	10,759
Other Current Liabilities	26	1,864	1,782
Provisions	27	3,656	3,299
Current Tax Liabilities [Net]	28	418	884
		78,268	78,613
Liabilities directly associated with assets classified as held for sale	52	126	-
Total		277,954	238,847
Significant Accounting Policies	2		
Notes to the Financial Statements	1 to 57		

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board

Pankaj R. Patel
Chairman
DIN: 00131852

Rajesh K. Hiranandani
Partner
Mumbai
May 20, 2022

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995
Ahmedabad
May 20, 2022

Consolidated Statement of Profit and Loss for the year ended March 31, 2022

₹-Million

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021*
INCOME:			
Revenue from Operations	32	152,652	144,035
Other Income	33	2,247	456
Total Income		154,899	144,491
EXPENSES:			
Cost of Materials Consumed	34	40,429	36,690
Purchases of Stock-in-Trade	35	18,646	12,893
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	36	(3,623)	(1,562)
Employee Benefits Expense	37	24,341	22,951
Finance Costs	38	1,270	1,588
Depreciation and Amortisation Expense	39	7,130	6,696
Other Expenses	40	39,452	39,192
Total Expenses		127,645	118,448
Profit before Exceptional Items and Tax		27,254	26,043
[Add]/ Less : Exceptional Items	47	(1,127)	2,051
Profit before Tax		28,381	23,992
Less : Tax Expense:			
Current Tax	41	4,415	4,530
Deferred Tax	41	702	(2,594)
		5,117	1,936
Profit for the year before Share of Profit of Joint Ventures		23,264	22,056
Add: Share of profit of Joint Ventures [Net of Tax]	4	462	474
Profit for the year from Continuing Operations		23,726	22,530
Loss before tax from discontinued operations	52, 53	(2,864)	(1,144)
Gain on disposal of discontinued operations [Net of transaction cost]	53	26,806	-
Tax expense of discontinued operations	52, 53	(1,485)	464
Profit after tax from Discontinued Operations		22,457	(680)
Profit for the year		46,183	21,850
OTHER COMPREHENSIVE INCOME (OCI):			
Items that will not be reclassified to profit or loss:			
Re-measurement losses on post employment defined benefit plans		(2)	(156)
Income tax effect on above		1	29
Net Gain/ [Loss] on Fair Value through OCI [FVTOCI] Equity Instruments		(1)	(127)
Income tax effect on above		49	245
		-	-
Share of OCI of Joint Ventures	4	(1)	(2)
Income tax effect on above		-	-
		(1)	(2)
Total		47	116
Items that will be reclassified to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		(1,092)	615
Income tax effect on above		-	-
Total		(1,092)	615
Other Comprehensive Income for the year [Net of Tax]		(1,045)	731
Total Comprehensive Income for the year [Net of Tax]		45,138	22,581
Profit for the year		46,183	21,850
Attributable to:			
Owners of the Parent		44,873	21,336
Non-Controlling Interests		1,310	514
OCI for the year		(1,045)	731
Attributable to:			
Owners of the Parent		(1,041)	723
Non-Controlling Interests		(4)	8
Total Comprehensive Income for the year		45,138	22,581
Attributable to:			
Owners of the Parent		43,832	22,059
Non-Controlling Interests		1,306	522
Basic & Diluted Earnings per Equity Share [EPS] [in Rupees]	42		
Continuing Operations		21.90	21.51
Discontinued Operations		21.94	(0.66)
Continuing and Discontinued Operations		43.83	20.84
Significant Accounting Policies	2		
Notes to the Consolidated Financial Statements	1 to 57		

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board

Pankaj R. Patel
Chairman
DIN: 00131852

Rajesh K. Hiranandani
Partner
Mumbai
May 20, 2022

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995
Ahmedabad
May 20, 2022

Consolidated Cash Flow Statement for the year ended March 31, 2022

₹-Million

Particulars	Year ended March 31, 2022	Year ended March 31, 2021*
A CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before tax and share of profit of joint ventures		
Continuing operations	28,381	23,992
Discontinued operations	23,942	(1,144)
Profit before tax and share of profit of joint ventures	52,323	22,848
Adjustments for:		
Depreciation and Amortisation expense	7,361	7,248
Exceptional items - Premium paid on purchase of the NCDs	-	1,320
Exceptional items - Profit on sale of brands [Net]	(1,127)	-
Exceptional items - Other than above	-	731
Provision for impairment of discontinued operations	2,084	-
Gain on disposal of discontinued operations [Net of transaction cost]	(26,806)	-
Net Loss on disposal of Property, Plant and Equipment [Net of gain]	17	36
FVTPL gain/ profit on sale of investments [Net]	(751)	(89)
Interest income	(688)	(495)
Dividend income	(8)	(5)
Gain on valuation of Forward Contract value related to investment in a Joint Venture	(123)	276
Interest expenses	1,144	1,559
Exchange rate fluctuation and other adjustments arising on Consolidation	(2,813)	(654)
Trade receivables written off	26	13
Expected credit loss on trade receivables [net]	15	101
Doubtful advances written off	-	5
Allowance for doubtful advances [net of written back]	(76)	123
Provision for employee benefits	327	541
Provision for probable product expiry claims and return of goods [net of written back]	397	920
Total	(21,021)	11,630
Operating profit before working capital changes	31,302	34,478
Adjustments for:		
[Increase]/ Decrease in trade receivables	(1,817)	4,313
[Increase] in inventories	(5,255)	(4,797)
Decrease/ [Increase] in other assets	2,813	(756)
[Decrease]/ Increase in trade payables	(1,203)	1,709
Increase in other liabilities	1,947	1,442
Total	(3,515)	1,911
Cash generated from operations	27,787	36,389
Direct taxes paid [Net of refunds]	(6,746)	(3,450)
Net cash from operating activities	21,041	32,939
B CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment and intangible assets	(12,026)	(8,540)
Proceeds from sale of property, plant and equipment and intangible assets	354	70
Proceeds from sale of brands [Net]	1,127	-
Purchase of non current investments - other than subsidiaries	(2,703)	(400)
Proceeds from sale of non current investments	-	12
Proceeds from sale of interest in a subsidiary	-	1,035
Proceeds from disposal of disposal group constituting the discontinued operations [Net]	28,585	-
Investments in deposits other than banks	(5,134)	-
FVTPL gain/ profit [net] on sale of investments which are considered as part of cash and cash equivalents	751	89
Interest received	582	483
Dividend received	8	5
Net cash from/ [used in] investing activities	11,544	(7,246)

Cash Flow Statement for the year ended March 31, 2022 - Continued :

₹-Million

Particulars	Year ended March 31, 2022	Year ended March 31, 2021*
C CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of share capital by a subsidiary to non-controlling interest	-	9,866
Proceeds from non current borrowings	7,464	-
Repayment of non current borrowings	(14,208)	(25,683)
Current borrowings [Net - taken /(repayment)]	2,907	(6,424)
Lease liabilities [Net]	(13)	(61)
Interest paid	(1,111)	(1,840)
Premium paid on purchase of the NCDs	-	(1,320)
Dividends paid	(3,722)	(15)
Net cash used in financing activities	(8,683)	(25,477)
Net increase in cash and cash equivalents	23,902	216
Cash and cash equivalents at the beginning of the year	10,872	11,777
Reduction in Cash and cash equivalents of the disposed / held for sale subsidiaries	(259)	(1,079)
Effect of exchange rates on Cash and cash equivalents	86	(42)
Cash and cash equivalents at the end of the year	34,601	10,872

[*] Refer Note-52 & 53

Notes to the Cash Flow Statement

- The above cash flow statement has been prepared under the "Indirect method" as set out in Ind AS-7 "Statement of Cash Flows".
- All figures in brackets are outflows.
- Previous year's figures have been regrouped wherever necessary.
- Cash and cash equivalents at the end [beginning] of the year include ₹ 72 [₹ 78] Millions not available for immediate use.
- Cash and cash equivalents comprise of:

₹-Million

	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
a Cash on Hand	9	30	8
b Balances with Banks	11,060	8,853	9,641
c Investment in Liquid Mutual Funds	23,532	1,989	2,128
d Total	34,601	10,872	11,777

- Change in liability arising from financing activities:

₹-Million

	Borrowings		
	Non-Current [Note-19]	Current [Note-23]	Total
As at March 31, 2020	41,599	38,265	79,864
Cash flow	(25,683)	(6,424)	(32,107)
Foreign exchange movement	(790)	(1,132)	(1,922)
As at March 31, 2021	15,126	30,709	45,835
Cash flow	(6,744)	2,907	(3,837)
Foreign exchange movement	437	(475)	(38)
As at March 31, 2022	8,819	33,141	41,960

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board

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Chairman
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Partner
Mumbai
May 20, 2022

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Chief Financial Officer

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Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995
Ahmedabad
May 20, 2022

Statement of Changes in Consolidated Equity for the year ended March 31, 2022

a EQUITY SHARE CAPITAL:

	No. of Shares	₹-Million
Equity Shares of ₹ 1/- each, Issued, Subscribed and Fully Paid-up:		
As at March 31, 2020	1,023,742,600	1,024
As at March 31, 2021	1,023,742,600	1,024
As at March 31, 2022	1,023,742,600	1,024

b OTHER EQUITY:

	Attributable to the equity holders of the parent						Non-Controlling Interests	Total Equity
	Reserves and Surplus			Items of OCI				
	Capital Reserve	Debt Redemption Reserve	International Business Development Reserve	General Reserve	Retained Earnings	FV/TOCI Reserve		
As at March 31, 2020	280	2,383	2,000	15,924	86,124	309	(4,287)	116,080
Add: Profit for the year	-	-	-	-	21,336	-	-	21,850
Add [Less]: Other Comprehensive Income	-	-	-	-	(129)	245	615	731
Total Comprehensive Income	-	-	-	-	21,207	245	615	22,067
[Less]/ Add: Transferred [from] Debt Redemption Reserve to Retained Earnings	-	(2,160)	-	-	2,160	-	-	-
[Less]/ Add: Adjustment pursuant to stake dilution of subsidiaries	(2)	(223)	-	(27)	4,351	-	-	5,512
As at March 31, 2021	278	-	2,000	15,897	113,842	554	(3,672)	148,272
Add: Profit for the year	-	-	-	-	44,873	-	-	46,183
Add [Less]: Other Comprehensive Income	-	-	-	-	(2)	49	(1,092)	(1,049)
Total Comprehensive Income	-	-	-	-	44,871	49	(1,092)	43,828
Transactions with Owners in their capacity as owners: Dividends	-	-	-	-	(3,720)	-	-	(3,857)
Less: Adjustment pursuant to extension of the term of investment in preference shares of a joint venture	-	-	-	-	(35)	-	-	(35)
As at March 31, 2022	278	-	2,000	15,897	154,958	603	(4,764)	189,514

As per our report of even date
For Deloitte Haskins & Sells LLP
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For and on behalf of the Board

Rajesh K. Hiranandani
Partner
Mumbai
May 20, 2022

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Managing Director
DIN: 00131995
Ahmedabad
May 20, 2022

Pankaj R. Patel
Chairman
DIN: 00131852

Notes to the Consolidated Financial Statements

NOTE: 1-GROUP OVERVIEW:

The consolidated financial statements comprise financial statements of Zydus Lifesciences Limited [formerly known as Cadila Healthcare Limited] ["the Parent"] and its subsidiaries [collectively, "the Group"] and the jointly controlled entities for the year ended March 31, 2022. The Group is in the business of integrated pharmaceutical operations with business encompassing the entire value chain in the research, development, production, marketing and distribution of pharmaceutical products. The product portfolio of the Group includes Active Pharmaceutical Ingredients [API], human formulations, animal health & veterinary, health and wellness products. The Parent's shares are listed on the National Stock Exchange of India Limited [NSE] and BSE Limited. The registered office of the Parent is located at "Zydus Corporate Park", Scheme No. 63, Survey No. 536, Near Vaishnodevi Circle, Khoraj [Gandhinagar], Sarkhej-Gandhinagar Highway, Ahmedabad - 382481.

These financial statements were authorised for issue in accordance with a resolution passed by the Board of Directors at their meeting held on May 20, 2022.

NOTE: 2-SIGNIFICANT ACCOUNTING POLICIES:

A The following note provides list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

1 Basis of preparation:

- A** The financial statements are in compliance with the Indian Accounting Standards [Ind AS] notified under the Companies [Indian Accounting Standards] Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013.
- B** The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair values at the end of the reporting periods:
- i Derivative financial instruments
 - ii Certain financial assets and liabilities measured at fair value [refer accounting policy regarding financial instruments]
 - iii Defined benefit plans

2 Basis of Consolidation:

A The consolidated financial statements comprise the financial statements of the Parent and its

subsidiaries as at March 31, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- a Power over the investee [i.e. existing rights that give it the current ability to direct the relevant activities of the investee]
- b Exposure, or rights, to variable returns from its involvement with the investee, and
- c The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- a The contractual arrangement with the other vote holders of the investee.
- b Rights arising from other contractual arrangements.
- c The Group's voting rights and potential voting rights.
- d The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

B The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

C Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in

Notes to the Consolidated Financial Statements

Note: 2-Significant Accounting Policies - Continued:

the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

- D The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Group, i.e., year ended on March 31. When the end of the reporting period of the Parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Parent to enable the Parent to consolidate the financial information of the subsidiary.

3 Business combinations and Goodwill:

- A In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from April 1, 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward. The same first time adoption exemption is also used for joint ventures.
- B Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred at acquisition date fair value.
- C At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the Deferred tax assets or liabilities and the assets or liabilities related to employee benefit arrangements acquired in a business combination are recognised and measured in accordance with Ind AS-12 "Income Tax" and Ind AS-19 "Employee Benefits" respectively.
- D When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic

circumstances and pertinent conditions as at the acquisition date.

- E Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS-109 "Financial Instruments", is measured at fair value with changes in fair value recognised in Statement of profit and loss. If the contingent consideration is not within the scope of Ind AS-109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequently its settlement is accounted for within equity.
- F Goodwill is initially measured at the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as Capital Reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as Capital Reserve, without routing the same through OCI.
- G After initial recognition, Goodwill is not amortised. Goodwill is accordingly recognised at original value less any accumulated impairment. For the purpose of impairment testing, Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.
- H A cash generating unit to which Goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable

Notes to the Consolidated Financial Statements

Note: 2-Significant Accounting Policies - Continued:

amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any Goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for Goodwill is recognised in Statement of profit and loss. An impairment loss recognised for Goodwill is not reversed in subsequent periods.

- I If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through Goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.
- J Wherever any business combination is governed by the Scheme approved by the Hon'ble High Court/ National Company Law Tribunal [NCLT], the business combination is accounted for as per the accounting treatment sanctioned in the Scheme. Goodwill arising on such business combination is amortised over the period, as provided in the Scheme approved by the Hon'ble High Court or NCLT.

4 Common Control Transactions:

Business combinations involving entities that are controlled by the group are accounted for using the pooling of interests method as follows:

- A The assets and liabilities of the combining entities are reflected at their carrying amounts.
- B No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- C The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against General Reserve.
- D The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.

- E The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of Share Capital of the transferor is transferred to Capital Reserve and is presented separately from other Capital Reserves.
- F Wherever any business combination is governed by the Scheme approved by the Hon'ble High Court/ NCLT, the business combination is accounted for as per the accounting treatment sanctioned in the Scheme.

5 Investment in joint ventures:

- A The Group's investments in its joint ventures are accounted for using the equity method. Under the equity method, the investment in joint ventures is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint ventures since the acquisition date.
- B The Statement of profit and loss reflects the Group's share of the results of operations of the joint ventures. Any change in OCI of those investees is presented as a part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint ventures, the Group recognises its share of any changes, when applicable, in the Statement of changes in equity.
- C If an entity's share of losses of joint ventures equals or exceeds its interest in the joint ventures [which includes any long term interest that, in substance, forms part of the Group's net investment in the joint ventures], the entity discontinues recognising its share of further losses.

Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint ventures. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

- D The financial statements of the joint ventures are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.
- E After application of the equity method, the Group determines whether it is necessary to recognise

Notes to the Consolidated Financial Statements

Note: 2-Significant Accounting Policies - Continued:

an impairment loss on its investment in its joint ventures. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint ventures is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint ventures and its carrying value, and then recognises the loss as "Share of profit/ [loss] of joint ventures" in the Statement of profit and loss.

6 Use of Estimates:

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments are provided below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

Critical accounting judgments and estimates:

A Property, Plant and Equipment:

Property, Plant and Equipment represent a large proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Management reviews the residual values, useful lives and methods of depreciation of Property, Plant and Equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their lives, such as changes in technology.

B Impairment of property, plant and equipment, goodwill and investments:

Significant judgments are involved in determining the estimated future cash flows from the Investments, Property, Plant and Equipment and Goodwill to determine their value in use to assess whether there is any impairment in their carrying amounts as reflected in the financials.

C Employee benefits:

Significant judgments are involved in making estimates about the life expectancy, discounting rate, salary increase, etc. which significantly affect the working of the present value of future liabilities on account of employee benefits by way of defined benefit plans.

D Product expiry claims and chargebacks:

Significant judgments are involved in determining the estimated stock lying in the market with product shelf life and estimates of likely claims on account of expiry of such unsold goods lying with stockists. Significant judgments are involved in determining the value of chargebacks on the basis of terms of agreement with the customers and Government schemes in USA.

E Taxes on Income:

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions and probability of utilisation of Minimum Alternate Tax [MAT] Credit in future.

F Contingent liabilities and litigations:

Significant judgments are involved in determining whether there is a possible obligation, that may, but probably will not require an outflow of resources.

7 Foreign Currency Transactions:

The Group's consolidated financial statements are presented in Indian Rupees [₹], which is the functional currency of the Parent Company.

For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Notes to the Consolidated Financial Statements

Note: 2-Significant Accounting Policies - Continued:

- A** The transactions in foreign currencies are translated into functional currency by the Groups' entities at their respective functional currency rates of exchange prevailing on the dates of transactions.
- B** Foreign Exchange gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities [except as covered in "E" below] denominated in foreign currencies at the year end exchange rates are recognised in the Statement of Profit and Loss.
- C** Foreign exchange differences regarded as adjustments to borrowing costs are presented in the Statement of Profit and Loss within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis.
- D** Investments in foreign companies are recorded in functional currency of the entity at the rates of exchange prevailing at the time when the investments were made.
- E** The net gain or loss on account of exchange rate differences either on settlement or on translation of long term foreign currency monetary items recognised on or after April 1, 2016 is recognised as income or expense in the Statement of Profit and Loss in the year in which they arise. The net gain or loss on long term foreign currency monetary items recognised in the financial statement for the period ended on March 31, 2016 is recognised under "Foreign Currency Monetary Items Translation Difference Account" [FCMITDA], except in case of foreign currency loans taken for funding of Property, Plant and Equipment, where such difference is adjusted to the cost of respective Property, Plant and Equipment. This is as per the exemption given under Ind AS 101 to defer/ capitalize exchange differences arising on long-term foreign currency monetary items. The FCMITDA is amortised during the tenure of loans but not beyond March 31, 2020.
- F Group Companies:**
- a** On consolidation, the assets and liabilities of foreign operations are translated into ₹ at the rate of exchange prevailing at the reporting date and their Statements of profit and loss are translated at average exchange rates prevailing during the year. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.
- b** Any Goodwill arising in the acquisition/ business combination of a foreign operation on or after April 1, 2015 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the reporting date.
- c** Any Goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS [April 1, 2015], are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the Parent and no further translation differences occur.
- d** Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition to IND AS, viz., April 1, 2015. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

8 Revenue Recognition:

- A** The following is the significant accounting policy related to revenue recognition under Ind AS 115.
- a Sale of Goods:**
- Revenue from the sale of goods is recognized as revenue on the basis of customer contracts and the performance obligations contained therein. Revenue is recognised at a point in time when the control of goods or services is transferred to a customer. Control lies with the customer if the customer can independently determine the use of and consume the benefit derived from a product or service. Revenues from product deliveries are recognised at a point in time based on an overall assessment of the existence of a right to payment, the allocation of ownership rights, the transfer of significant risks and rewards and acceptance by the customer.

Notes to the Consolidated Financial Statements

Note: 2-Significant Accounting Policies - Continued:

The goods are often sold with volume discounts/ pricing incentives/ chargebacks/ rebates and customers have a right to return damaged or expired products. Revenue from sales is based on the price in the sales contracts/ MRP, net of discounts, sales tax/ Goods and Services Tax [GST], chargebacks and other similar allowances. When a performance obligation is satisfied, Revenue is recognised with the amount of the transaction price [excluding estimates of variable consideration] that is allocated to that performance obligation. These are calculated on the basis of historical experience and the specific terms in the individual contracts.

Historical experience, specific contractual terms and future expectations of sales are used to estimate and provide for damage or expiry claims.

No element of financing is deemed present as the sales are made with the normal credit terms as per prevalent trade practice and credit policy followed by the Group.

b Service Income:

Service income is recognised as per the terms of contracts with the customers when the related services are performed as per the stage of completion or on the achievement of agreed milestones and are net of indirect taxes, wherever applicable.

- B** The specific recognition criteria described below must also be met before revenue is recognised:

a Interest Income:

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate [EIR]. EIR is the rate that discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

b Dividend:

Dividend income is recognised when the Group's right to receive the payment is established.

c Other Income:

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

9 Government Grants:

- A** Government grants are recognised in accordance with the terms of the respective grant on accrual basis considering the status of compliance of prescribed conditions and ascertainment that the grant will be received.
- B** Government grants related to revenue are recognised on a systematic and gross basis in the Statement of Profit and Loss over the period during which the related costs intended to be compensated are incurred.
- C** Government grants related to assets are recognised as income in equal amounts over the expected useful life of the related asset.
- D** When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities. However, in accordance with the exemption as per Ind AS 101, for such loans that existed on April 1, 2015, the Group uses the previous GAAP carrying amount of the loan at the date of transition as the carrying amount of loan.

10 Taxes on Income:

Tax expenses comprise of current and deferred tax.

A Current Tax:

- a** Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with

Notes to the Consolidated Financial Statements

Note: 2-Significant Accounting Policies - Continued:

the provisions of the Income Tax Act, 1961 for Indian entities or provisions of respective countries where the group operates and generates taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

- b Current tax items are recognised in correlation to the underlying transaction either in profit or loss, OCI or directly in Equity.

B Deferred Tax:

- a Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
- b Deferred tax liabilities are recognised for all taxable temporary differences.
- c Deferred tax assets are recognised for all deductible temporary differences including the carry forward of unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized.
- d The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
- e Deferred tax assets and liabilities are measured at the tax rates [and tax laws] that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.
- f Deferred tax items are recognised in correlation to the underlying transaction either in profit or loss, OCI or directly in equity.

- g Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

- h Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and interest in joint arrangement where the group is able to control the timing of reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and interest in joint arrangement where it is not probable that the group is able to control the timing of reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

- i Minimum Alternate Tax [MAT]/ Alternate Minimum Tax [AMT] paid in a year is charged to the Statement of Profit and Loss as current tax.

- j The Group recognizes MAT credit available as an asset only when and to the extent there is a convincing evidence of actual utilisation of such credit and also based on historical experience that the company will pay normal income tax during the specified period i.e. the period for which MAT Credit is allowed to be carried forward. Such asset, if recognised, is reviewed at each Balance sheet date and the carrying amount is written down to the extent there is no longer a convincing evidence that the Group will be liable to pay normal tax during the specified period.

11 Property, Plant and Equipment:

- A Freehold land is carried at historical cost, less impairment, if any. All other items of Property, Plant and Equipment are stated at historical cost of acquisition/ construction less accumulated depreciation and impairment loss. Historical cost [Net of Input tax credit received/ receivable] includes related expenditure and pre-operative & project expenses for the period up to completion of construction/ assets are ready for its intended use, if the recognition criteria are met and the present value of the expected cost for the decommissioning

Notes to the Consolidated Financial Statements

Note: 2-Significant Accounting Policies - Continued:

of an asset after its use is included in the cost of the respective asset, if the recognition criteria for a provision are met. Effective from April 1, 2007, the foreign exchange loss or gain arising on long term foreign currency monetary items that existed in the financial statements for the period ended on March 31, 2016, attributable to Property, Plant and Equipment is adjusted to the cost of respective Property, Plant and Equipment. Subsequent costs are included in the asset's 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 Group and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to the Statement of profit and loss during the reporting period in which they are incurred, unless they meet the recognition criteria for capitalisation under Property, Plant and Equipment.

On transition to Ind AS, the Group has elected to continue with the carrying value of all its Property, Plant and Equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, Plant and Equipment.

- B Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognised separately as independent items and are depreciated over their estimated economic useful lives.
- C Depreciation on tangible assets is provided on "straight line method" based on the useful lives as prescribed under Schedule II of the Companies Act, 2013 which may be different for foreign entities. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. However, management reviews the residual values, useful lives and methods of depreciation of property, plant and equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods.

The estimated useful lives are as follows:

Asset Class	No. of years
Leasehold Land	Over the period of lease
Buildings	10 to 60 Years
Plant and Equipment	2 to 15 Years
Furniture, Fixtures and Office Equipments	3 to 10 Years
Vehicles	4 to 8 Years

- D Depreciation on impaired assets is calculated on the reduced values, if any, on a systematic basis over its remaining useful lives.
 - E Depreciation on additions/ disposals of the Property, Plant and Equipment during the year is provided on pro-rata basis according to the period during which assets are used.
 - F Where the actual cost of purchase of an asset is below ₹ 10,000/-, the depreciation is provided @ 100 %.
 - G Capital work in progress is stated at cost less accumulated impairment loss, if any.
 - H An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the Statement of profit and loss when the asset is derecognised.
- 12 Intangible Assets:**
- A Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.
 - B Internally generated intangibles are not capitalised and the related expenditure is reflected in Statement of profit and loss in the period in which the expenditure is incurred.
 - C Trade Marks, Technical Know-how Fees and other similar rights are amortised over their estimated useful lives.
 - D Capitalised cost incurred towards purchase/ development of software is amortised using straight line method over its useful life as

Notes to the Consolidated Financial Statements

Note: 2-Significant Accounting Policies - Continued:

estimated by the management at the time of capitalisation.

E Intangible assets with infinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of infinite life is reviewed annually to determine whether the infinite life continues to be supportable. If not, the change in useful life from infinite to finite is made on a prospective basis.

F An item of intangible asset initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the Statement of profit and loss when the asset is derecognised.

The estimated useful lives are as follows:

Asset Class	No. of years
Brands/ Trademarks	3 to 15 Years
Technical Know-how, Commercial Rights	3 to 10 Years
Computer Software	3 to 5 Years

13 Research and Development Cost:

A Expenditure on research and development is charged to the Statement of Profit and Loss of the year in which it is incurred.

B Capital expenditure on research and development is given the same treatment as Property, Plant and Equipment.

14 Borrowing Costs:

A Borrowing costs consist of interest and other borrowing costs that are incurred in connection with the borrowing of funds. Other borrowing costs include ancillary charges at the time of acquisition of a financial liability, which is recognised as per EIR method.

Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

B Borrowing costs that are directly attributable to the acquisition/ construction of a qualifying asset are capitalised as part of the cost of such assets, up to the date the assets are ready for their intended use. All other borrowing costs are

recognised in profit or loss in the period in which they are incurred.

15 Impairment of Non Financial Assets:

The Property, Plant and Equipment and intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, the assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets [cash generating units]. Non-financial assets other than Goodwill that suffered an impairment loss are reviewed for possible reversal of impairment at the end of each reporting period. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

16 Inventories:

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

A Raw Materials, Stores & Spare Parts, Packing Materials, Finished Goods, Stock-in-Trade and Work-in-Progress are valued at lower of cost and net realisable value.

B Cost [Net of Input tax credit availed] of Raw Materials, Stores & Spare Parts, Packing Materials, Finished Goods and Stock-in-Trade is determined on Moving Average Method.

C Costs of Finished Goods and Work-in-Progress are determined by taking material cost [Net of Input tax credit availed], labour and relevant appropriate overheads based on the normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated

Notes to the Consolidated Financial Statements

Note: 2-Significant Accounting Policies - Continued:

costs of completion and the estimated costs necessary to make the sale.

Write down of inventories to net realisable value is recognised as an expense and included in "Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade" and "Cost of Materials Consumed" in the relevant note in the Statement of Profit and Loss.

17 Cash and Cash Equivalents:

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

18 Leases:

The Group has adopted Ind AS 116 "Leases" which is effective for an annual period beginning on or after from April 1, 2019. The following is the significant accounting policy related to Ind AS 116.

The adoption of this Standard has resulted in the Group recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting Ind AS 116 being recognised in equity as an adjustment to the opening balance of retained earnings for the previous year.

For contracts in place at the date of initial application, the Group has elected to apply the definition of lease from Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17.

The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being April 1, 2019. At this date, the Group has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less

than 12 months and for leases of low-value assets the Group has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straightline basis over the remaining lease term. For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under Ind AS 17 immediately before the date of initial application.

As a lessee:

For any new contracts entered into on or after April 1, 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset [the underlying asset] for a period of time in exchange for consideration'.

Measurement and recognition of leases as a lessee:

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date [net of any incentives received].

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments [including in substance fixed], variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes to the in-substance fixed payments.

Notes to the Consolidated Financial Statements

Note: 2-Significant Accounting Policies - Continued:

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero. The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in financial liabilities.

As a lessor:

As a lessor the Group classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

19 Provisions, Contingent Liabilities and Contingent Assets:

A Provisions are recognised when the Group has a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. A disclosure of contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates. Contingent assets are not recognised but are disclosed separately in financial statements.

B If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

20 Provision for Product Expiry Claims:

Provisions for product expiry related costs are recognised when the product is sold to the customer. Initial recognition is based on historical experience. The initial estimate of product expiry claim related costs is revised annually.

21 Employee Benefits:

A Short term obligations:

Liabilities for wages and salaries, including leave encashment that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured by the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

B Long term employee benefits obligations:

a Leave Wages and Sick Leave:

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months period after the end of the period in which the employees render the related service. They are therefore, measured at the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period using the projected unit credit method, as determined by actuarial valuation, performed by an independent actuary. The benefits are discounted using the market yields at the end of reporting period that have the terms approximating to the terms of the related obligation. Gains and losses through re-measurements are recognised in Statement of profit and loss.

b Defined Benefit Plans:

i Gratuity:

The Group provides for gratuity, a defined benefit plan covering eligible employees of the Parent, its subsidiaries in India and few overseas subsidiaries. The gratuity contributions of the Parent and its Indian subsidiaries are to be made to separately administered fund through Life Insurance Corporation of India through Employees Group Gratuity Plan. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit plan obligation at the end of the reporting period less the fair value of the plan assets. The liabilities with regard to the Gratuity Plan are determined by actuarial valuation,

Notes to the Consolidated Financial Statements

Note: 2-Significant Accounting Policies - Continued:

performed by an independent actuary, at end of the reporting period using the projected unit credit method. The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to the market yields at the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discounting rate to the net balance of the defined benefit obligation and the fair value of plan assets. Such costs are included in employee benefit expenses in the Statement of Profit and Loss.

Re-measurement gains or losses arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the period in which they occur directly in "other comprehensive income" and are included in retained earnings in the Statement of changes in equity and in the balance sheet. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- i Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and
- ii Net interest expense or income.
- ii Group administered Provident Fund:
In case of a specified class of employees of the Parent, who are eligible to receive benefits of Group administered provident fund, monthly contributions of such employees and the Group are deposited to Employees' Provident Fund Trust. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. Contributions to such provident fund are recognised as employee benefits

expenses when they are due in the Statement of profit and loss.

c Defined Contribution Plans - Provident Fund Contribution:

Specified class of employees receive benefits of provident fund, which is a defined contribution plan. Both the eligible employee and the entities make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The companies have no further obligation to the plan beyond their monthly contributions. Such contributions are accounted for as defined contribution plans and are recognised as employee benefits expenses when they are due in the Statement of profit and loss.

For details of significant post employment benefit plans refer Note 21.

C Employee Separation Costs:

The compensation paid to the employees under Voluntary Retirement Scheme is expensed in the year of payment.

22 Dividends :

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as liability on the date of declaration by the Parent's Board of Directors.

23 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.

A Financial Assets:

a Initial recognition and measurement:

All financial assets are recognised initially at fair value plus transaction costs, in the case of financial assets not recorded at fair value through profit or loss, that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place [regular way trades] are

Notes to the Consolidated Financial Statements

Note: 2-Significant Accounting Policies - Continued:

recognised on the settlement date, i.e., the date that the Group settles to purchase or sell the asset.

b Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

i Debt instruments at amortised cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held with an objective of collecting contractual cash flows
- Contractual terms of the asset give rise on specified dates to cash flows that are "solely payments of principal and interest" [SPPI] on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate [EIR] method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of profit and loss.

ii Debt instruments at fair value through other comprehensive income [FVTOCI]:

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The asset is held with objectives of both collecting contractual cash flows and selling the financial assets
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Group recognizes interest income, impairment

losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii Debt instruments and derivatives at fair value through profit or loss [FVTPL]:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

iv Equity instruments:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL.

For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Group has made such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

c Derecognition:

A financial asset [or, where applicable, a part of a financial asset] is primarily derecognised [i.e. removed from the Group's balance sheet] when:

Notes to the Consolidated Financial Statements

Note: 2-Significant Accounting Policies - Continued:

- i The rights to receive cash flows from the asset have expired, or
- ii The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either [a] the Group has transferred substantially all the risks and rewards of the asset, or [b] the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. When the Group has transferred the risks and rewards of ownership of the financial asset, the same is derecognised.

d 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 trade receivables or any contractual right to receive cash or another financial asset. The Group follows 'simplified approach' for recognition of impairment loss allowance.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it requires the Group to recognise the impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide

for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive [i.e., all cash shortfalls], discounted at the original EIR.

ECL impairment loss allowance [or reversal] is recognized as expense/ income in the Statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet, which reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics.

B Financial Liabilities:

a Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b Subsequent measurement:

Subsequently all financial liabilities are measured as amortised cost, using EIR method. Gains and

Notes to the Consolidated Financial Statements

Note: 2-Significant Accounting Policies - Continued:

losses are recognised in Statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit and loss.

c Derecognition:

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

d Embedded derivatives:

An embedded derivative is a component of a hybrid [combined] instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative.

Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of profit and loss, unless designated as effective hedging instruments.

C Reclassification of financial assets:

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result

of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model as per Ind AS 109.

D Offsetting of financial instruments:

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

24 Derivative Financial Instruments and Hedge Accounting:

Derivatives are recognised initially at fair value and subsequently at fair value through profit and loss.

Fair value hedges:

The Group applies fair value hedge accounting for changes in fair value of trade receivables [non-derivative financial assets] attributable to foreign currency risk. The Group designates certain non-derivative foreign currency financial liabilities [hedging instrument] to hedge the risks of changes in fair value of trade receivables attributable to the movement in foreign exchange rates. The Group documents at the time of designation the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking such hedging transactions. The Group also documents its assessment, both at the inception of the hedge and on an ongoing basis, of whether the risk management objectives are met with the hedging relationship.

Changes in fair values of both hedging instruments and hedged items are recognised in foreign exchange gains / losses as a part of other income or other expenses as the case may be. If the hedge no longer meets the criteria for hedge accounting, this accounting treatment is discontinued.

Net Investment hedges:

The Group applies net investment hedge for hedges of adjustments arising from translating the functional

Notes to the Consolidated Financial Statements

Note: 2-Significant Accounting Policies - Continued:

currency financial statements of foreign operations (hedges of net investments) into functional currency of the Parent. The effective portion of change in the fair value of non-derivative financial liabilities is recorded as a foreign currency translation adjustment in other comprehensive income in Group's Consolidated Statement of Comprehensive Income. The change in fair value of the hedging instrument relating to the effective portion of the hedge are subsequently recognised in Group's Consolidated Income Statement on disposal of the foreign operation(s). The ineffective portion of the change in fair value of the non-derivative financial liabilities is recognised in Group's Consolidated Income Statement.

25 Fair Value Measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a In the principal market for the asset or liability, or
- b In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

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

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

- a Level 1 — Quoted [unadjusted] market prices in active markets for identical assets or liabilities

- b Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c 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.

26 Non-Current assets and disposal group held for sale:

Assets and liabilities of disposal groups held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less cost to sell includes use of management estimates and assumptions. The fair value of the disposal groups is estimated using valuation techniques [including income and market approach] which includes unobservable inputs.

27 Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker [CODM] of the Group.

28 Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss [excluding other comprehensive income] for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reverse share splits [consolidation of shares] that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss [excluding other comprehensive income] for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Notes to the Consolidated Financial Statements

Note: 2-Significant Accounting Policies - Continued:

B Recent Accounting Pronouncements:

Ministry of Corporate Affairs ["MCA"] notifies new standard or amendments to the existing standards under Companies [Indian Accounting Standards] Rules as issued from time to time. On March 23, 2022, MCA amended the Companies [Indian Accounting Standards] Amendment Rules, 2022, applicable from April 1, 2022, as below:

a Ind AS 16 – Property, Plant and Equipments:

The amendments clarifies, the excess of net sale proceeds of items produced over the cost of testing, if any, should not be recognised in the statement of profit or loss but deducted from the directly attributable costs considered as part of cost of an item of PPE. The Group does not expect the amendment to have any material impact on its financial statements.

b Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

The amendments clarifies the nature of costs that can be directly related to the contract for the purpose of assessing the contract is onerous. The Group does not expect the amendment to have any material impact in its financial statements

c Ind AS 101 – First time adoption of Indian Accounting Standards:

As per the amendment, on adoption of Ind AS by the subsidiary, the subsidiary may choose to measure

cumulative translation differences for all foreign operations at amounts included in the parent's consolidated financial statements based on the parent's date of Ind AS transition. The Group does not expect the amendment to have any impact on its financial statements.

d Ind AS 103 – Business Combination:

The amendment clarifies that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards [Conceptual Framework] issued by the Institute of Chartered Accountants of India at the acquisition date.

These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any impact on its financial statements.

e Ind AS 109 – Financial Instruments:

The amendment clarifies the nature of fees which can be included by the entity for the purpose of assessing the '10 percent' test for derecognition of financial liabilities. The Group does not expect the amendment to have any material impact on its financial statements.

Notes to the Consolidated Financial Statements

NOTE: 3-PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS & CAPITAL WORK-IN-PROGRESS:

[A] Property, Plant and Equipment:

₹-Million

	Freehold Land	Leasehold Land [#]	Buildings [#]	Plant and Equipment	Furniture and Fixtures	Vehicles [#]	Office Equipment	Total
Gross Block:								
As at March 31, 2020	3,872	1,534	18,841	57,052	1,982	1,052	1,447	85,780
Additions	-	443	1,871	4,564	68	153	68	7,167
Disposals	-	-	-	(172)	(1)	(92)	-	(265)
Other adjustments	(147)	(1)	(258)	(483)	(19)	(3)	(18)	(929)
As at March 31, 2021	3,725	1,976	20,454	60,961	2,030	1,110	1,497	91,753
Additions	398	-	1,516	9,348	85	222	69	11,638
Disposals	-	-	(60)	(605)	(10)	(125)	(3)	(803)
Discontinued operations *	-	(74)	(88)	(64)	(1)	(25)	(15)	(267)
Asset held for sale **	(251)	(19)	(2,181)	(3,178)	(116)	-	-	(5,745)
Other adjustments	11	(39)	47	62	11	2	5	99
As at March 31, 2022	3,883	1,844	19,688	66,524	1,999	1,184	1,553	96,675
Depreciation and Impairment:								
As at March 31, 2020	-	117	3,601	25,550	852	508	630	31,258
Depreciation for the year	-	24	645	4,494	141	135	225	5,664
Disposals	-	-	-	(122)	(1)	(50)	-	(173)
Other adjustments	-	(1)	(105)	(365)	(15)	(1)	(9)	(496)
As at March 31, 2021	-	140	4,141	29,557	977	592	846	36,253
Depreciation for the year	-	24	706	4,731	144	126	220	5,951
Impairment for the year **	-	-	1,082	585	23	-	-	1,690
Disposals	-	-	(43)	(280)	(9)	(97)	(3)	(432)
Discontinued operations *	-	(2)	(15)	(23)	(1)	(6)	(3)	(50)
Asset held for sale **	-	(13)	(1,618)	(2,763)	(106)	-	-	(4,500)
Other adjustments	-	(6)	53	110	4	(5)	(9)	147
As at March 31, 2022	-	143	4,306	31,917	1,032	610	1,051	39,059
Net Block:								
As at March 31, 2021	3,725	1,836	16,313	31,404	1,053	518	651	55,500
As at March 31, 2022	3,883	1,701	15,382	34,607	967	574	502	57,616

Notes to the Consolidated Financial Statements

NOTE: 3-PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS & CAPITAL WORK-IN-PROGRESS - Continued:

[B] Intangible Assets:

₹-Million

	Other Intangible Assets					Total
	Goodwill	Brands/ Trademarks	Computer Software	Commercial Rights	Technical Know-how	
Gross Block:						
As at March 31, 2020	54,470	15,820	1,840	7,549	2,356	27,565
Additions	-	17	205	-	715	937
Disposals	(721)	(63)	-	-	-	(63)
Other adjustments	(181)	4	(35)	(231)	(48)	(310)
As at March 31, 2021	53,568	15,778	2,010	7,318	3,023	28,129
Additions	-	-	145	776	-	921
Discontinued operations *	(17)	(1,664)	-	(349)	(436)	(2,449)
Asset held for sale **	-	(75)	(110)	(3)	-	(188)
Other adjustments	198	(14)	5	265	65	321
As at March 31, 2022	53,749	14,025	2,050	8,007	2,652	26,734
Amortisation and Impairment:						
As at March 31, 2020	555	6,020	1,063	5,512	1,102	13,697
Amortisation for the year	-	665	314	553	52	1,584
Impairment for the year	-	2	-	731 [^]	-	733
Disposals	(457)	(63)	-	-	-	(63)
Other adjustments	5	22	(22)	(185)	-	(185)
As at March 31, 2021	103	6,646	1,355	6,611	1,154	15,766
Amortisation for the year	-	591	275	540	46	1,452
Impairment for the year **	-	-	13	-	3	16
Discontinued operations *	-	(1,151)	-	(277)	(369)	(1,797)
Asset held for sale **	-	(75)	(110)	(3)	-	(188)
Other adjustments	-	(17)	(1)	238	(7)	213
As at March 31, 2022	103	5,994	1,532	7,109	827	15,462
Net Block:						
As at March 31, 2021	53,465	9,132	655	707	1,869	12,363
As at March 31, 2022	53,646	8,031	518	898	1,825	11,272

Notes:

Includes right of use assets, refer Note-30 for detailed breakup.

* Refer Note-53

** Refer Note-52

[^] Refer Note-47 [[^]]

Other adjustments include adjustments on account of borrowing costs and exchange rate difference.

Notes to the Consolidated Financial Statements

NOTE: 3-PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS & CAPITAL WORK-IN-PROGRESS - Continued:

Goodwill:

- 1 Goodwill acquired in business combination is allocated, at acquisition, to the cash generating units [CGUs] those are expected to get benefit from that business combination. The carrying amount of goodwill has been allocated as follows:

	As at March 31, 2022	As at March 31, 2021
Consumer Wellness	39,441	39,441
US Specialty Business	5,602	5,405
India Human Formulations	5,296	5,296
US Generics	1,472	1,472
Brazil Formulations	1,350	1,350
South Africa Formulations	324	324
Europe Generics	144	144
Others	17	33
Total	53,646	53,465

₹-Million

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The value-in-use is determined based on specific calculations. These calculations use pre-tax cash flow projections for a CGU/ groups of CGU over a period of five years. An average of the range of key assumptions used is mentioned below. As of March 31, 2022 and March 31, 2021 the estimated recoverable amount of the CGU exceeded its carrying amount. The carrying amount of the CGU was computed by allocating the net assets to operating segments for the purpose of impairment testing. The key assumptions used for the calculations are as follows :

	As at March 31, 2022	As at March 31, 2021
Long Term Growth Rate	0.2% - 10.3%	0% - 9.2%
Discount Rate	8.9%-19.1%	7.9%-16.6%

These estimates are likely to differ from future actual results of operations and cash flows.

[C] Capital work-in-progress:

	As at March 31, 2022	As at March 31, 2021
a Summarised Statement for movement in Capital-work-in-progress:		
Balance as at the beginning of the year	7,832	7,415
Add: Expenditure incurred during the year	9,397	7,454
Add: Borrowing costs	-	6
Add: Other directly attributable costs	514	9
Less: Impairment during the year [Refer Note-52]	(243)	-
Less: Asset classified as Held for Sale [Refer Note-52]	(192)	-
Less: Capitalized during the year	(10,698)	(7,052)
Balance as at the end of the year	6,610	7,832
b Ageing of Capital-work-in-progress:		
Projects in progress:		
i Less than 1 year	4,446	4,162
ii 1 - 2 years	909	1,270
iii 2 - 3 years	1,042	1,156
iv More than 3 years	213	1,244
Total Capital Work-in-Progress	6,610	7,832

₹-Million

Project execution plans are modulated on the basis of capacity requirement assessment annually and all the projects are executed based on rolling annual plan.

Notes to the Consolidated Financial Statements

NOTE: 4-INTEREST IN JOINT VENTURES:

The Group has 50% interest in Zydus Takeda Healthcare Private Limited and Zydus Hospira Oncology Private Limited, 25% interest in Bayer Zydus Pharma Private Limited. The Group's interest in all the entities is accounted using the "equity method" in the Consolidated Financial Statements [CFS]. None of them individually contribute materially to the Group's revenues and assets. Summarised financial information of the Joint Ventures, based on its Ind AS financial statements, is as under:

		₹-Million	
		As at March 31, 2022	As at March 31, 2021
A	Summarised Balance Sheet:		
	Non-Current Assets	3,429	3,505
	Current Assets	6,592	6,293
	Non-Current Liabilities	(259)	(316)
	Current Liabilities	(1,590)	(1,511)
	Equity	8,172	7,971
	Carrying amount of investment in Joint Ventures	3,743	3,570
B	Summarised Statement of Profit and Loss:		
	Revenue	10,572	8,598
	Profit after Tax	856	1,028
	Other Comprehensive Income for the year, net of tax	1	(6)
	Total Comprehensive Income for the year, net of Tax	857	1,022
	Group's share in Profit after Tax for the year	462	474
	Group's share in OCI for the year	(1)	(2)
C	Summarised Group's share in Contingent Liabilities and Commitments [to the extent not provided for]:		
a	Contingent liabilities:		
i	In respect of the demands raised by the Central Excise, State Excise and Customs Authorities	4	3
ii	In respect of Sales Tax matters pending before appellate authorities	2	4
ii	In respect of Income Tax matters pending before appellate authorities	992	941
b	Commitments:		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	43	38
D	Group's share in dividend declared by the Joint Ventures during the year	250	436

NOTE: 5-INVESTMENTS [NON-CURRENT]:

				₹-Million	
		Face Value [*]	Nos. [**]	As at March 31, 2022	As at March 31, 2021
Investment in Equity Instruments [Valued at cost]:					
Subsidiary Company [Unquoted]:					
In fully paid-up equity shares of:					
	Zydus Foundation [^]	10	50,000	1	1
Investment in Non-convertible Debentures [Valued at amortised cost]:					
Subsidiary Company [Quoted]:					
	Zydus Foundation [^]	1,000,000	1,850	1,466	1,355

Notes to the Consolidated Financial Statements

NOTE: 5-INVESTMENTS [NON-CURRENT] - Continued :

₹-Million

	Face Value [*]	Nos. [**]	As at March 31, 2022	As at March 31, 2021
Investments [Valued at fair value through OCI]:				
In fully paid-up Common Stock of:				
Quoted:				
Onconova Therapeutic Inc. USA [as at March 31, 2021: ₹ 317,262/-]	\$0.01	4,341	1	-
Pieris Pharmaceuticals Inc., USA	\$0.001	1,415,539	324	266
			325	266
Investments in fully paid-up Equity Instruments:				
Quoted:				
Housing Development Finance Corporation Limited	2	219,500	525	549
HDFC Bank Limited	1	8,000	12	12
Kokuyo Camlin Limited	1	72,090	4	4
Camlin Fine Sciences Limited	1	152,000	21	21
Accelya Kale Consultants Limited [₹: 355,424 {as at March 31, 2021: ₹ 326,794}]	10	383	-	-
Reliance Industries Limited	10	348	1	1
Vedanta Limited	10	57,750	23	13
Tanla Solution Limited	1	2,026	3	1
			589	601
Unquoted:				
Bharuch Enviro Infrastructure Limited [₹ 12,140/-]	10	1,214	-	-
Narmada Clean Tech	10	625,813	6	6
Enviro Infrastructure Company Limited	10	50,000	1	1
GVFL Limited	10	50,000	1	1
Saraswat Co-Op Bank Limited [₹ 20,350/-]	10	2,500	-	-
The Shamrao Vithal Co-Op Bank Limited [₹ 2,500/-]	25	100	-	-
The Green Environment Co-operative Society Limited [₹ 5,000/-]	100	50	-	-
Shivalik Solid Waste Management Limited [₹ 2,00,000/-]	10	20,000	-	-
AMP Energy Green Nine Private Limited [\$]	10	330,061 [0]	3	-
			11	8
Investments in Partnership Firm [Unquoted]:				
ABCD Technologies LLP [Formerly known as IndoHealth Services LLP] [#]			403	400
Investment in Preference Shares [Carried at amortised cost] [Unquoted]:				
In fully paid-up, 1%, Redeemable Cumulative preference Shares of				
Enviro Infrastructure Company Limited	10	900,000	9	9

Notes to the Consolidated Financial Statements

NOTE: 5-INVESTMENTS [NON-CURRENT] - Continued :

₹-Million

	Face Value [*]	Nos. [**]	As at March 31, 2022	As at March 31, 2021
Investment in Bonds [Valued at amortised cost] [Quoted]:				
In fully paid-up Bonds of:				
9.10% PNB Housing Finance Limited	1,000,000	25	25	25
9.75% Piramal Enterprises Limited	1,000,000	35	35	35
9.00% Indiabulls Housing Finance Limited	1,000	40,000	40	40
9.90% Tamil Nadu Generation and Distribution Corporation Limited	1,000,000	0 [2]	-	2
7.95% Bank of Baroda Perpetual	10,000,000	100 [0]	1,001	-
8.75% State Bank of India Perpetual	1,000,000	100 [0]	104	-
7.73% State Bank of India Perpetual Series II	1,000,000	650 [0]	659	-
9.04% Bank of India Perpetual Series VI	1,000,000	450 [0]	457	-
8.50% Bank of Baroda Perpetual Series XIV	1,000,000	20 [0]	20	-
8.99% Bank of Baroda Perpetual Series XI	1,000,000	50 [0]	52	-
8.50% State Bank of India Perpetual	1,000,000	50 [0]	51	-
7.72% State Bank of India Perpetual	10,000,000	25 [0]	251	-
8.85% HDFC Bank Perpetual	10,000,000	100 [0]	100	-
			2,795	102
Investment in Compulsorily Convertible Debentures [Valued at amortised cost] [Unquoted]:				
In fully paid-up Debentures of:				
0.01%, AMP Energy Green Nine Private Limited [\$]	1000	33,865 [0]	6	-
Total			5,605	2,742
a i Aggregate book value of quoted investments			5,175	2,324
ii Market value of quoted investments			5,175	2,324
b Aggregate book value of unquoted investments			430	418
Explanations:				
a In "Face Value [*]", figures in Indian Rupees unless stated otherwise.				
b In "Nos. [**]" figures of previous year are same unless stated in [].				

[^] Zydus Foundation is a company incorporated under Section 8 of the Companies Act, 2013 and this company is prohibited to give any right over their profits to its members. In view of restrictions on Section 8 companies, the parent Company's share in Zydus Foundation has not been considered in consolidated financial statements.

[#] Pursuant to Limited Liability Partnership Agreement, the contribution made by the Group has lock-in period of 3 years from the date of investment till March 24, 2024.

[\$] In line with the philosophy of enhancing the share of renewable power source in its operations, the Group has entered into a Power Purchase Agreement [PPA] during the year with AMP Energy Green Nine Private Limited [AMP] to procure agreed output of wind and solar energy. Further, to comply with regulatory requirement for being a "captive user" under the Electricity Laws, 2003, during the year, the Group has entered into the Share Purchase, Subscription and Shareholder's Agreement [SPSSA] to acquire up to 12.29% stake on a fully diluted basis in AMP in one or more tranches, throughout the term of the definitive agreements i.e. PPA and SPSSA.

Further, the Group has also subscribed to 33,865 Compulsorily Convertible Debentures [CCD] of AMP of ₹ 1,000 each carrying interest of 0.01% for a total consideration of ₹ 39 Million.

Notes to the Consolidated Financial Statements

NOTE: 6-OTHER FINANCIAL ASSETS:

₹-Million

	As at March 31, 2022	As at March 31, 2021
[Unsecured, Considered Good unless otherwise stated]		
Security Deposits	393	373
Forward Contract value related to investment in a Joint Venture	1,714	1,590
Others	339	555
Total	2,446	2,518

NOTE: 7-DEFERRED TAX:

₹-Million

	Consolidated Balance Sheet As at March 31		Statement of Profit and Loss As at March 31	
	2022	2021	2022	2021
Break up of Deferred Tax Liabilities and Assets into major components of the respective balances are as under:				
Deferred Tax Liabilities:				
Depreciation	3,714	3,682	32	(219)
Fair Value Adjustment - Financial Instruments	164	164	-	-
Amortisation of stepped-up basis for intangible assets	11	109	(98)	(242)
	3,889	3,955	(66)	(461)
Deferred Tax Assets:				
Employee benefits/ Payable to Statutory Authorities	1,748	1,794	(46)	216
Inventory and related items	3,124	2,822	302	786
Receivables	1,335	1,214	121	409
Unabsorbed depreciation and losses	551	364	187	(972)
MAT Credit Entitlement	5,957	6,982	(1,025)	2,295
Others	594	326	268	(78)
Total	13,309	13,502	(193)	2,656
Net Deferred Tax [Assets]/ Liabilities	(9,420)	(9,547)	127	(3,117)
Out of above:				
a Disclosed as Deferred Tax Assets	10,958	10,744		
b Disclosed as Deferred Tax Liabilities	1,538	1,197		
c Included in Profit or Loss of continuing operations			702	(2,594)
d Included in Profit or Loss of discontinued operations			(467)	(589)
e Included in exceptional items of discontinued operations [Refer Note-52]			(121)	-
f Included in OCI			13	66

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to income taxes levied by the same tax authority.

The Group has tax losses which arose in India of ₹ 9,943 [as at March 31, 2021: ₹ 12,238] Million that are available for offsetting for indefinite period, except losses of ₹ 2,713 [as at March 31, 2021: ₹ 2,807] Million which are available for offset for eight years against future taxable profits of the companies in which the losses arose. Out of ₹ 2,713 Million, majority of these losses will expire in March 2030.

Notes to the Consolidated Financial Statements

NOTE: 7-DEFERRED TAX - Continued:

In India, unabsorbed depreciation is allowed to be set-off for indefinite period. MAT Credit not recognised as at March 31, 2022 is ₹ 1,798 Million [March 31, 2021: ₹ 3,370 Million]. Such MAT credit has not been recognised and included as a component of deferred tax asset in the balance sheet, as, on the basis of the assessment made by the management of the respective Company's profitability and operational plans in the foreseeable future, the management is of the view that presently, there is no convincing evidence that the respective Company would be liable to pay income tax under the normal provisions of the Income-tax Act for the periods up to which the Company is eligible to utilise the unused MAT credit.

Further, and notwithstanding the foregoing, the respective Company can elect to exercise the option permitted u/s 115BAA of the Income- tax Act, 1961 consequent to which the entire MAT credit would no longer be allowed for utilisation.

The deferred tax assets have not been recognised in respect of unabsorbed losses of subsidiaries ₹ 6,130 [as at March 31, 2021: ₹ 3,412] Million as they may not be used to offset taxable profits and there are no other tax planning opportunities or other evidence of recoverability in the near future.

NOTE: 8-OTHER NON-CURRENT ASSETS:

	₹-Million	
	As at March 31, 2022	As at March 31, 2021
[Unsecured, Considered Good unless otherwise stated]		
Capital Advances - Considered Good	1,399	1,104
Capital Advances - Credit impaired	75	71
	1,474	1,175
Less: Allowances for credit impaired	75	71
	1,399	1,104
Balances with Statutory Authorities	963	847
Others	144	93
Total	2,506	2,044

NOTE: 9-ASSETS FOR CURRENT TAX [NET]:

	₹-Million	
	As at March 31, 2022	As at March 31, 2021
[Unsecured, Considered Good unless otherwise stated]		
Advance payment of Tax [Net of provision for taxation]	938	909
Total	938	909

Notes to the Consolidated Financial Statements

NOTE: 10-INVENTORIES:

₹-Million

	As at March 31, 2022	As at March 31, 2021
[The Inventory is valued at lower of cost and net realisable value]		
Classification of Inventories [*]:		
Raw Materials	11,496	11,438
Work-in-progress	3,839	4,593
Finished Goods	8,627	8,472
Stock-in-Trade	9,971	5,749
Stores and Spares	313	81
Others:		
Packing Materials	2,948	2,029
Total	37,194	32,362
The above includes Goods in transit as under:		
Raw Materials	285	170
Stock-in-Trade	51	58
Packing Materials	391	35
Amount recognised as an expense in statement of profit and loss resulting from write-down of inventories		
Net of reversal of write-down	247	106

For details of inventories pledged as security, refer Note-23.

[*] Net off one time provision for Covid related inventory of ₹ 1,832 Million for the year ended March 31, 2022 [for the year ended March 31, 2021: Nil].

NOTE: 11-INVESTMENT [CURRENT]:

₹-Million

	Nos. [**]	As at March 31, 2022	As at March 31, 2021
Investment in Mutual Funds [Quoted]			
[Valued at fair value through profit or loss][*]			
ICICI Prudential Overnight Fund - Direct Plan - Growth	36,851,988.78 [17,920,336.150]	4,224	1,989
SBI Overnight Fund - Direct Plan - Growth	403,536 [0]	1,396	-
TATA Arbitrage Fund - Direct Plan - Growth	573,405,085.31 [0]	6,873	-
HDFC Arbitrage Fund - Wholesale Plan - Direct - Growth	48,709,218.62 [0]	783	-
ICICI Prudential Equity Arbitrage Fund - Direct Plan - Growth	350,134,809.52 [0]	10,256	-
Total		23,532	1,989

[*] Considered as cash and cash equivalents for Cash Flow Statement

[**] In "Nos." figures of previous year are stated in [].

Notes to the Consolidated Financial Statements

NOTE: 12-TRADE RECEIVABLES:

₹-Million

	As at March 31, 2022	As at March 31, 2021
Secured - Considered good	841	1,104
Unsecured - Considered good	32,562	30,169
Unsecured - Credit impaired	305	317
	33,708	31,590
Less: Allowances for credit losses	305	317
Total	33,403	31,273

Ageing of Trade Receivables :

₹-Million

Particulars	Not due	Outstanding from due date of payment					Total
		Less than 6 Months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
As at March 31, 2022							
Undisputed – considered good	31,482	1,598	183	38	66	36	33,403
Undisputed – have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	-	101	59	27	98	285
Disputed – considered good	-	-	-	-	-	-	-
Disputed - have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	2	2	2	14	20
Total	31,482	1,598	286	99	95	148	33,708
Less: Allowances for credit losses							(305)
Trade Receivables							33,403
As at March 31, 2021							
Undisputed – considered good	29,260	1,586	145	158	66	58	31,273
Undisputed – have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	2	27	119	32	103	283
Disputed – considered good	-	-	-	-	-	-	-
Disputed - have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	3	-	14	1	16	34
Total	29,260	1,591	172	291	99	177	31,590
Less: Allowances for credit losses							(317)
Trade Receivables							31,273

NOTE: 13-CASH AND BANK BALANCES:

₹-Million

	As at March 31, 2022	As at March 31, 2021
A Cash and Cash Equivalents:		
Balances with Banks	6,569	6,622
Cash on Hand	9	30
Total	6,578	6,652
B Bank Balances other than Cash and Cash Equivalents:		
Balances with Banks	4,491	2,231
Total	4,491	2,231

Notes to the Consolidated Financial Statements

NOTE: 14-LOANS:

	₹-Million	
	As at March 31, 2022	As at March 31, 2021
[Unsecured]		
Loan to others - Credit impaired	-	88
	-	88
Less: Allowances for credit impaired	-	88
Total	-	-

NOTE: 15-OTHER CURRENT FINANCIAL ASSETS:

	₹-Million	
	As at March 31, 2022	As at March 31, 2021
[Unsecured, Considered Good]		
Deposits other than Banks	5,134	-
GST Refund receivable	713	1,493
Dividend Receivable	-	103
Interest Receivable	118	12
Receivables for Forward Contract	252	348
Others	447	388
Total	6,664	2,344

NOTE: 16-OTHER CURRENT ASSETS:

	₹-Million	
	As at March 31, 2022	As at March 31, 2021
[Unsecured, Considered Good]		
Balances with Statutory Authorities	5,151	5,993
Advances to Suppliers - Considered Good	1,788	1,421
Advances to Suppliers - Credit impaired	169	161
	1,957	1,582
Less: Allowances for credit impaired	169	161
	1,788	1,421
Export Incentive Receivables	793	1,224
Prepaid Expenses	721	908
Advance CSR contribution	589	735
Others	48	28
Total	9,090	10,309

Notes to the Consolidated Financial Statements

NOTE: 17-EQUITY SHARE CAPITAL:

₹-Million

	As at March 31, 2022	As at March 31, 2021
Authorised:		
1,725,000,000 [as at March 31, 2021: 1,725,000,000] Equity Shares of ₹ 1/- each	1,725	1,725
	1,725	1,725
Issued, Subscribed and Paid-up:		
1,023,742,600 [as at March 31, 2021: 1,023,742,600] Equity Shares of ₹ 1/- each, fully paid-up	1,024	1,024
	1,024	1,024
A There is no change in the number of shares as at the beginning and end of the year.		
Number of shares at the beginning and at the end of the year	1,023,742,600	1,023,742,600
B The Parent has only one class of equity shares having a par value of ₹ 1/- per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in the case of interim dividend. In the event of liquidation of the parent company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.		
C Details of Shareholders holding more than 5% of aggregate Equity Shares of ₹ 1/- each, fully paid:		
a Zydus Family Trust		
Number of Shares	766,381,434	766,381,434
% to total share holding	74.86%	74.86%
b Life Insurance Corporation of India		
Number of Shares	62,749,284	33,827,294
% to total share holding	6.13%	3.30%

D Equity Shares held by the promoters of the Company:

As at March 31, 2022

#	Promoter's Name	No. of Shares	% of total shares	% change during the year
1	Zydus Family Trust	766,381,434	74.861	-
2	Pankaj R. Patel	45,000	0.004	-
3	Pankaj Ramanbhai Patel HUF	30,000	0.003	-
4	Pripan Investment Private Limited	18,000	0.002	-
5	Taraben Patel Family Will Trust	15,000	0.001	-
6	Pritiben Pankajbhai Patel	15,000	0.001	-
7	Dr. Sharvil P. Patel	15,000	0.001	-
8	Shivani Pankajbhai Patel	15,000	0.001	-

As at March 31, 2021

#	Promoter's Name	No. of Shares	% of total shares	% change during the year
1	Zydus Family Trust	766,381,434	74.861	-
2	Pankaj R. Patel	45,000	0.004	-
3	Pankaj Ramanbhai Patel HUF	30,000	0.003	-
4	Pripan Investment Private Limited	18,000	0.002	-
5	Taraben Patel Family Will Trust	15,000	0.001	-
6	Pritiben Pankajbhai Patel	15,000	0.001	-
7	Dr. Sharvil P. Patel	15,000	0.001	-
8	Shivani Pankajbhai Patel	15,000	0.001	-

Notes to the Consolidated Financial Statements

NOTE: 18-OTHER EQUITY:

₹-Million

	As at March 31, 2022	As at March 31, 2021
Capital Reserve:		
Balance as per last Balance Sheet	278	280
[Less]: Adjustment pursuant to disposal of subsidiaries	-	(2)
	278	278
Debenture Redemption Reserve:		
Balance as per last Balance Sheet	-	2,383
Less: Adjustment pursuant to stake dilution in subsidiaries	-	(223)
Less: Transfer to Retained Earnings	-	(2,160)
	-	-
Other Reserves:		
International Business Development Reserve: [*]		
Balance as per last Balance Sheet	2,000	2,000
General Reserve: [**]		
Balance as per last Balance Sheet	15,897	15,924
Less: Adjustment pursuant to stake dilution in subsidiaries	-	(27)
	15,897	15,897
Fair Value through Other Comprehensive Income [FVTOCI] Reserve: [#]		
Balance as per last Balance Sheet	554	309
Add: Credited during the year	49	245
	603	554
Foreign Currency Translation Reserve:		
Balance as per last Balance Sheet	(3,672)	(4,287)
[Less]/ Add: Exchange differences on consolidation	(1,092)	615
	(4,764)	(3,672)
Retained Earnings:		
Balance as per last Balance Sheet	1,13,842	86,124
Add: Profit for the year	44,873	21,336
	1,58,715	1,07,460
Less: Items of other Comprehensive income recognised directly in Retained Earnings:		
Re-measurement losses on defined benefit plans [net of tax]	(1)	(127)
Share of Other Comprehensive Income of Joint Ventures [net of tax]	(1)	(2)
Less: Dividends	(3,720)	-
Add : Transferred from Debenture Redemption Reserve	-	2,160
Less: Adjustment pursuant to extension of the term of investment in preference shares of a joint venture	(35)	-
Add : Adjustment pursuant to stake dilution and disposal of subsidiaries	-	4,351
Balance as at the end of the year [^]	1,54,958	1,13,842
Total	1,68,972	1,28,899

[^] Includes ₹ 8,704 [as at March 31, 2021: ₹ 8,704] Million of Security Premium received by the group on issuance of equity shares by one of the subsidiaries to non-controlling interest holders.

[*] International Business Development Reserve was created pursuant to Composite Scheme of Arrangement approved by the Hon'ble High Court of Gujarat and its utilization shall be as provided in the scheme.

[**] General Reserve can be used for the purposes and as per guidelines prescribed in the Companies Act, 2013.

[#] The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Notes to the Consolidated Financial Statements

NOTE: 19-BORROWINGS:

₹-Million

	Non-current portion		Current Maturities	
	As at March 31,		As at March 31,	
	2022	2021	2022	2021
A Term Loans from Banks:				
a Term Loans:				
i Unsecured	2,357	-	143	2,926
b External Commercial Borrowings [ECB] in Foreign Currency:				
i Unsecured	1,264	6,095	5,055	6,095
B Term Loans from Others [Unsecured]	-	-	-	10
Total	3,621	6,095	5,198	9,031
The above amount includes:				
Unsecured borrowings	3,621	6,095	5,198	9,031
Amount disclosed under the head "Borrowings" [Note-23]	-	-	(5,198)	(9,031)
Net amount	3,621	6,095	-	-

A Terms of Repayment for Unsecured Borrowings:

a Term Loans:

- i Term loan of ₹ 500 Million of one of the subsidiary companies is repayable in twelve quarterly instalments starting from February 17, 2024.

Interest on loan is payable on monthly basis. The outstanding amount of loan as at March 31, 2022 is ₹ 500 Million [as at March 31, 2021: Nil].

- ii Term loan of ₹ 2,000 Million of one of the subsidiary companies is repayable in fourteen quarterly instalments starting from March 31, 2023.

Interest on loan is payable on monthly basis. The outstanding amount of loan as at March 31, 2022 is ₹ 2,000 Million [as at March 31, 2021: Nil].

b ECB in Foreign Currency Loans:

- i ECB of USD 100 Million is repayable in three yearly instalments starting from March 27, 2021. Interest on loan is payable on monthly basis. The outstanding amount as at March 31, 2022 is ₹ 2,527 [as at March 31, 2021: ₹ 4,876] Million.

- ii ECB of USD 30 Million is repayable in three yearly instalments starting from April 26, 2020. Interest on loan is payable on monthly basis.

The outstanding amount as at March 31, 2022 is ₹ 758 [as at March 31, 2021: ₹ 1,463] Million.

- iii ECB of USD 20 Million is repayable in three yearly instalments starting from September 18, 2020. Interest on loan is payable on monthly basis. The outstanding amount as at March 31, 2022 is ₹ 506 [as at March 31, 2021: ₹ 975] Million.

- iv ECB of USD 20 Million is repayable in three yearly instalments starting from September 7, 2021. Interest on loan is payable on monthly basis. The outstanding amount as at March 31, 2022 is ₹ 1,011 [as at March 31, 2021: ₹ 1,463] Million.

- v ECB of USD 30 Million is repayable in three yearly instalments starting from January 23, 2022. Interest on loan is payable on monthly basis. The outstanding amount as at March 31, 2022 is ₹ 1,517 [as at March 31, 2021: ₹ 2,194] Million.

Notes to the Consolidated Financial Statements

NOTE: 20-OTHER FINANCIAL LIABILITIES:

	₹-Million	
	As at March 31, 2022	As at March 31, 2021
Trade Deposits	287	227
Others	162	163
Total	449	390

NOTE: 21-PROVISIONS:

	₹-Million	
	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits	3,250	3,095
Total	3,250	3,095

Defined benefit plan and long term employment benefit

A General description:

Leave wages [Long term employment benefit]:

The leave encashment scheme is administered through Life Insurance Corporation of India's Employees' Group Leave Encashment cum Life Assurance [Cash Accumulation] Scheme by Parent Company and major Indian subsidiaries. The eligible employees of the Group are entitled to leave as per the leave policy of the company. The liability on account of accumulated leave as on last day of the accounting year is recognised [net of the fair value of plan assets as at the balance sheet date] at present value of the defined obligation at the balance sheet date based on the actuarial valuation carried out by an independent actuary using projected unit credit method.

Gratuity [Defined benefit plan]:

The Parent and major Indian subsidiaries have defined benefit gratuity plan. Every employee who has completed continuous services of five years or more gets a gratuity on death or resignation or retirement at 15 days salary [last drawn salary] for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary increment risk.

Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Notes to the Consolidated Financial Statements

NOTE: 21-PROVISIONS - Continued:

₹-Million

	As at March 31, 2022			As at March 31, 2021		
	Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
B Change in the present value of the defined benefit obligation:						
Opening obligation	335	2,313	3,034	255	1,918	2,586
Discontinued operations [Refer note-53]	(19)	(71)	(119)	-	-	-
Transfer in/ [out]	-	-	(1)	-	-	2
Interest cost	19	135	180	15	110	154
Current service cost	39	337	352	32	330	338
Benefits paid	(15)	(309)	(223)	(17)	(232)	(209)
Actuarial [gains]/ losses on obligation due to:						
Experience adjustments	(34)	(43)	97	33	90	36
Change in demographic assumptions	24	126	-	-	-	-
Change in financial assumptions	(9)	(51)	(73)	17	97	127
Closing obligation	340	2,437	3,247	335	2,313	3,034
C Change in the fair value of plan assets:						
Opening fair value of plan assets	-	228	1,887	-	214	1,709
Transfer in/ [out]	-	-	(62)	-	-	(2)
Expected return on plan assets	-	10	120	-	13	109
Return on plan assets excluding amounts included in interest income	-	4	22	-	(1)	7
Contributions by employer	-	3	268	-	3	272
Benefits paid	-	(6)	(222)	-	(1)	(208)
Actuarial [losses]/ gains	-	-	-	-	-	-
Closing fair value of plan assets	-	239	2,013	-	228	1,887
Total actuarial [losses]/ gains to be recognised	19	(32)	(24)	(50)	(187)	(163)
D Actual return on plan assets:						
Expected return on plan assets	-	10	120	-	13	109
Actuarial [losses]/ gains on plan assets	-	-	-	-	-	-
Actual return on plan assets	-	10	120	-	13	109
E Amount recognised in the balance sheet:						
Liabilities/ [Assets] at the end of the year	340	2,437	3,247	335	2,313	3,034
Fair value of plan assets at the end of the year	-	(239)	(2,013)	-	(228)	(1,887)
Difference	340	2,198	1,234	335	2,085	1,147
Unrecognised past service cost	-	-	-	-	-	-
Liabilities/ [Assets] recognised in the Balance Sheet	340	2,198	1,234	335	2,085	1,147

Notes to the Consolidated Financial Statements

NOTE: 21-PROVISIONS - Continued:

	As at March 31, 2022			As at March 31, 2021		
	Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
F Expenses/ [Incomes] recognised in the Statement of Profit and Loss:						
Current service cost	39	337	352	32	330	338
Interest cost on benefit obligation	19	135	180	15	110	154
Expected return on plan assets	-	(10)	(120)	-	(13)	(109)
Return on plan assets excluding amounts included in interest income	-	(4)	-	-	1	-
Net actuarial [gains]/ losses in the year	(19)	32	-	50	187	-
Amount included in "Employee Benefits Expense"	39	490	412	97	615	383
Return on plan assets excluding amounts included in interest income	-	-	(22)	-	-	(7)
Net actuarial [gains]/ losses in the year	-	-	24	-	-	163
Amounts recognized in OCI	-	-	2	-	-	156
G Movement in net liabilities recognised in Balance Sheet:						
Opening net liabilities	335	2,085	1,147	255	1,704	877
Discontinued operations [Refer note-53]	(19)	(71)	(119)	-	-	-
Transfer in/ [out]	-	-	61	-	-	4
Expenses as above [P & L Charge]	39	490	412	97	615	383
Amount recognised in OCI	-	-	2	-	-	156
Employer's contribution	-	(3)	(268)	-	(3)	(268)
Benefits Paid	(15)	(303)	(1)	(17)	(231)	(1)
Liabilities/ [Assets] recognised in the Balance Sheet	340	2,198	1,234	335	2,085	1,147
H Principal actuarial assumptions for defined benefit plan and long term employment benefit plan:						
Discount rate	6.85% - 6.90%	6.85% - 6.90%	6.85% - 6.90%	6.25%- 6.50%	6.25%- 6.50%	6.25%- 6.50%
[The rate of discount is considered based on market yield on Government Bonds having currency and terms in consistence with the currency and terms of the post employment benefit obligations]						
Annual increase in salary cost	12% for next 2 year, 9% thereafter			12% for next 3 year, 9% thereafter		
[The estimates of future salary increases are considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market]						
I The categories of plan assets as a % of total plan assets are:						
Insurance plan	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%

J Amount recognised in current and previous four years:

Gratuity:	As at March 31,				
	2022	2021	2020	2019	2018
Defined benefit obligation	3,247	3,034	2,586	2,204	1,777
Fair value of Plan Assets	2,013	1,887	1,709	1,500	1,064
Deficit/ [Surplus] in the plan	1,234	1,147	877	704	713
Actuarial Loss/ [Gain] on Plan Obligation	24	163	122	29	124
Actuarial Loss/ [Gain] on Plan Assets	-	-	-	3	-

The average duration of defined benefit plan obligation at the end of the year is 21.49 to 26.36 years [as at March 31, 2021 : 22.79 to 27.41 years].

Notes to the Consolidated Financial Statements

NOTE: 21-PROVISIONS - Continued:

Sensitivity analysis:

A quantitative sensitivity analysis for significant assumptions is shown below:

₹-Million

Assumptions	Medical Leave		Leave Wages		Gratuity	
	As at March 31,					
	2022	2021	2022	2021	2022	2021
Impact on obligation:						
Discount rate increase by 0.5%	(13)	(12)	(68)	(63)	(105)	(100)
Discount rate decrease by 0.5%	13	14	67	68	111	107
Annual salary cost increase by 0.5%	12	13	66	67	106	102
Annual salary cost decrease by 0.5%	(13)	(11)	(68)	(62)	(101)	(97)

The following payments are expected contributions to the defined benefit plan in future years:

₹-Million

	As at March 31, 2022	As at March 31, 2021
Within the next 12 months [next annual reporting period]	1,066	935
Between 2 and 5 years	2,576	2,338
Between 6 and 10 years	2,262	2,036
Total expected payments	5,904	5,309

NOTE: 22-OTHER NON-CURRENT LIABILITIES:

₹-Million

	As at March 31, 2022	As at March 31, 2021
Others	3	10
Total	3	10

NOTE: 23-BORROWINGS:

₹-Million

	As at March 31, 2022	As at March 31, 2021
Loans repayable on Demand:		
Working Capital Loans from Banks [Secured]	5,000	3,839
Working Capital Loans from Banks [Unsecured]	28,141	26,870
Current Maturities of Long Term Debt [Refer Note-19]	5,198	9,031
Total	38,339	39,740

A Securities and Terms of Repayment for Secured Borrowings:

- i Working Capital Loans of the Parent, which are repayable on demand, are secured by hypothecation of inventories of all types, save and except stores and spares relating to plant and machineries [consumable stores and spares], including goods in transit, bills receivables and book debts of the Parent. The value of such current assets is ₹ 42,040 [as at March 31, 2021 ₹ 36,838] Million.

B Terms of Repayment for Unsecured Borrowings:

- i PCFC and Packing Credit loans in ₹ [PCRE] loans of the Parent are payable during April, 2022 to September, 2022. The outstanding amount of loans as at March 31, 2022 is ₹ 13,607 [as at March 31, 2021: ₹ 9,870] Million.
- ii Working capital loans of some of the subsidiary companies are repayable on demand. The outstanding amount of loan as at March 31, 2022 is ₹ 14,534 [as at March 31, 2021: ₹ 10,750] Million.

Notes to the Consolidated Financial Statements

NOTE: 24-TRADE PAYABLES:

₹-Million

	As at March 31, 2022	As at March 31, 2021
Dues to Micro and Small Enterprises	280	228
Dues to other than Micro and Small Enterprises	21,098	21,831
Total	21,378	22,059

Ageing of Trade Payables :

Particulars	Not due	Outstanding from due date of payment				Total
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
As at March 31, 2022						
Undisputed Micro and Small Enterprises [MSME]	270	4	-	-	-	274
Undisputed Others	14,550	6,354	75	40	74	21,093
Disputed MSME	-	-	-	6	-	6
Disputed Others	-	-	-	-	5	5
Total	14,820	6,358	75	46	79	21,378
As at March 31, 2021						
Undisputed Micro and Small Enterprises [MSME]	209	13	-	-	-	222
Undisputed Others	13,949	7,606	168	24	79	21,826
Disputed MSME	-	-	6	-	-	6
Disputed Others	-	-	-	-	5	5
Total	14,158	7,619	174	24	84	22,059

NOTE: 25-OTHER FINANCIAL LIABILITIES:

₹-Million

	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	44	32
Book overdraft	1	76
Accrued Expenses	11,370	9,350
Payable for Capital Goods	1,052	1,245
Unpaid Dividends	54	56
Others	4	-
Total	12,525	10,759

NOTE: 26-OTHER CURRENT LIABILITIES:

₹-Million

	As at March 31, 2022	As at March 31, 2021
Advances from Customers	489	432
Payable to Statutory Authorities	1,030	1,109
Others	345	241
Total	1,864	1,782

Notes to the Consolidated Financial Statements

NOTE: 27-PROVISIONS:

₹-Million

	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits	674	632
Provision for claims for product expiry and return of goods [*]	2,982	2,667
Total	3,656	3,299
[*] Provision for claims for product expiry and return of goods:		
a	Provision for product expiry claims and return of goods in respect of products sold during the year is made based on the management's estimates considering the estimated stock lying with retailers. The Company does not expect such claims to be reimbursed by any other party in future.	
b	The movement in such provision is stated as under:	
i	Carrying amount at the beginning of the year	2,667
ii	Additional provision made during the year	315
iii	Carrying amount at the end of the year	2,982

NOTE: 28-CURRENT TAX LIABILITIES [NET]:

₹-Million

	As at March 31, 2022	As at March 31, 2021
Provision for Taxation [Net of advance payment of tax]	418	884
Total	418	884

NOTE: 29-CONTINGENT LIABILITIES AND COMMITMENTS [TO THE EXTENT NOT PROVIDED FOR]:

₹-Million

	As at March 31, 2022	As at March 31, 2021
A Contingent Liabilities:		
a	Claims against the Group not acknowledged as debts	631
b	In respect of guarantees given by Banks and/ or counter guarantees given	1
c	Other money for which the Group is contingently liable:	
i	In respect of the demands raised by the Central Excise, Customs, State Excise & Service Tax Authority	2,439
ii	In respect of the demands raised by the Ministry of Chemicals & Fertilizers, Govt. of India under Drug Price Control Order, 1979/ 1995 for difference in actual price and price of respective bulk drug allowed while fixing the price of certain formulations and disputed by the Group, which the Group expects to succeed based on the legal advice	111
iii	In respect of Income Tax matters pending before appellate authorities	1,957
iv	In respect of Sales Tax matters pending before appellate authorities	1,224
v	In respect of custom duty liability under EPCG scheme	15
vi	In respect of letters of credit for Imports	35
vii	In respect of other matters [Employees Indemnity on retirement/ guaranteed severance package]	254

Notes to the Consolidated Financial Statements

NOTE: 29-CONTINGENT LIABILITIES AND COMMITMENTS [TO THE EXTENT NOT PROVIDED FOR] - Continued:

		₹-Million	
		As at March 31, 2022	As at March 31, 2021
B	Legal proceedings:		
1	<p>In late 2016, a union health and welfare fund filed two actions against one of the subsidiary companies in US [i.e. the Company] and other generic drug companies in the U.S. District Court for the Eastern District of Pennsylvania. These actions alleged conspiracies to fix prices or allocate markets for two drugs [divalproex and pravastatin] in violation of federal and state antitrust laws.</p> <p>Subsequently, these and the other actions detailed below have been coordinated in a multi-district litigation in the Eastern District of Pennsylvania. Ultimately, putative classes of direct purchasers, end payors, and indirect resellers each filed multiple actions in which the Company is named as one of several defendants: [i] an action alleging a conspiracy to fix prices or allocate markets for pravastatin, [ii] an action to fix prices or allocate markets for divalproex, and [iii] an action alleging both a conspiracy to fix prices or allocate markets for a third drug [acetazolamide] as well as an "overarching," industry-wide conspiracy. In June 2018, Connecticut and other states filed a complaint against the Company and other defendants alleging a number of individual-drug conspiracies [including acetazolamide for the Company] as well as an "overarching" conspiracy. Several opt-out plaintiffs have filed complaint as well, and the claims in these complaints track the claims outlined above. In May 2019, Connecticut and other states filed a second complaint against the Company and other defendants. That complaint alleged a number of individual-drug conspiracies [including eight drugs for the Company] as well as an "overarching" conspiracy. Beginning in October 2019, putative classes of direct purchasers, indirect resellers, and end payors as well as several opt-out plaintiffs and a group of New York counties filed additional complaints against the Company and other defendants with substantially similar claims. In October 2019, the Court entered a case management order setting a preliminary schedule and the cases are currently proceeding through fact discovery. No trial dates have been set for the Company. The Company believes that it has meritorious defences to these lawsuits.</p>		
C	Commitments:		
a	Estimated amount of contracts remaining to be executed on capital account and not provided for	5,440	6,275

NOTE: 30- LEASES:

Lessee:

A Relating to statement of financial position:

1 Under Ind AS 116, the Group recognises right to use assets and lease liabilities for most leases; Right of use assets are part of financial statement caption "Property plant and equipment". Depreciation and impairment is similar to measurement of owned assets.

Lease liabilities are part of financial statement captions "non-current financial liabilities" and "current financial liabilities". Interest is part of financial statement caption " Finance expense".

Notes to the Consolidated Financial Statements

NOTE: 30- LEASES - Continued:

Right of use assets:	₹-Million			
	Land	Buildings	Vehicles	Total
Balance as at April 1, 2020	1,417	192	55	1,664
Additions	443	70	17	530
Depreciation charge for the year	24	71	43	138
Exchange rate impact on translation of foreign operations	-	1	(3)	(2)
Balance as at March 31, 2021 [Net]	1,836	192	26	2,054
Additions [Net]	-	41	89	130
Depreciation charge for the year	24	81	27	132
Other adjustments	(78)	(13)	-	(91)
Exchange rate impact on translation of foreign operations	(33)	3	2	(28)
Balance as at March 31, 2022 [Net]	1,701	142	90	1,933

The Group leases assets which include office buildings, warehouse spaces and vehicles.

2 Movement in lease liabilities:

	₹-Million	
	As at March 31, 2022	As at March 31, 2021
Lease liability at the beginning of the year	241	274
Additions	151	142
Redemptions	(130)	(175)
Other adjustments	(13)	-
Lease liability at end of the year	249	241
of which:		
Current portion	88	90
Non current portion	161	151

2.1 Maturity analysis of lease liabilities:

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities is as follows:

	₹-Million	
Minimum lease payments due	As at March 31, 2022	As at March 31, 2021
Within 1 year	88	90
1-5 years	109	174

Lessor:

The Group leases out certain properties and classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

	₹-Million	
Lease payments due to be received:	As at March 31, 2022	As at March 31, 2021
Within 1 year	4	-
1-5 years	-	-
Total undiscounted lease payments	4	-

Notes to the Consolidated Financial Statements

NOTE: 30- LEASES - Continued:

Description of lease activities:

Real estate lease:

The Group leases buildings for its offices and warehouse space. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leases are typically made for a fixed period of 3- 10 years and may include extension options which provide operational flexibility. Majority of the leases are cancellable by either parties by serving notice period.

NOTE: 31-DIVIDENDS PROPOSED TO BE DISTRIBUTED:

The Board of Directors, at its meeting held on May 20, 2022, recommended the final dividend of ₹ 2.50 per equity share of ₹ 1/- each. The recommended dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting.

NOTE: 32-REVENUE FROM OPERATIONS:

	₹-Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Sale of Products	148,276	141,250
Other Operating Revenues:		
Export Incentives	470	1,164
Net Gain on foreign currency transactions and translation [*]	1,553	-
Miscellaneous Income	2,353	1,621
	4,376	2,785
Total	152,652	144,035
[*] includes research related Net Loss on foreign currency transactions and translation	43	3
Pursuant to Ind AS 115 "Revenue from Contracts with Customers" reconciliation of revenue recognised in the statement of profit and loss with the contracted price is under:		
Revenue as per contracted price	292,670	286,313
Less:		
Provision for Expiry and Sales Return	(4,631)	(5,367)
Discounts/ Chargeback/ Price Reduction/ Rebates	(139,215)	(139,328)
Others	(548)	(368)
	(144,394)	(145,063)
Revenue from contract with customers	148,276	141,250

NOTE: 33-OTHER INCOME:

	₹-Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Finance Income:		
Interest Income on Financial Assets measured at Amortised Cost	688	495
Net Gain on Forward Contract	646	121
Gain/ [Loss] on valuation of Forward Contract value related to investment in a Joint Venture mandatorily measured at FVTPL	123	(276)
	1,457	340
Dividend Income:		
From Investments designated as at FVOCI	8	5
Gain on Investments mandatorily measured at FVTPL	751	89
Other Non-operating Income	31	22
Total	2,247	456

Notes to the Consolidated Financial Statements

NOTE: 34-COST OF MATERIALS CONSUMED:

₹-Million

	Year ended March 31, 2022	Year ended March 31, 2021
Raw Materials:		
Stock at commencement	11,438	8,887
Add: Purchases	32,605	32,162
	44,043	41,049
Less: Stock at close	11,496	11,438
	32,547	29,611
Packing Materials consumed	7,882	7,079
Total	40,429	36,690

NOTE: 35-PURCHASES OF STOCK-IN-TRADE:

₹-Million

	Year ended March 31, 2022	Year ended March 31, 2021
Purchases of Stock-in-Trade	18,646	12,893
Total	18,646	12,893

NOTE: 36-CHANGES IN INVENTORIES:

₹-Million

	Year ended March 31, 2022	Year ended March 31, 2021
Stock at commencement:		
Work-in-progress	4,593	4,099
Finished Goods	8,472	5,430
Stock-in-Trade	5,749	7,793
	18,814	17,322
Less: Stock at close:		
Work-in-progress	3,839	4,593
Finished Goods	8,627	8,472
Stock-in-Trade	9,971	5,749
	22,437	18,814
Adjustment pursuant to discontinued operations [Refer Note-52 & 53]	-	(70)
Total	(3,623)	(1,562)

NOTE: 37-EMPLOYEE BENEFITS EXPENSE:

₹-Million

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages	22,077	20,855
Contribution to provident and other funds	1,694	1,532
Staff welfare expenses	570	564
Total	24,341	22,951
Above expenses include:		
Research related expenses:		
Salaries and wages	2,182	1,831
Contribution to provident and other funds	146	131
Staff welfare expenses	39	35
Total	2,367	1,997
Managing Directors' Remuneration	197	259

Notes to the Consolidated Financial Statements

NOTE: 38-FINANCE COST:

₹-Million

	Year ended March 31, 2022	Year ended March 31, 2021
Interest expense [*]	1,144	1,559
Net Gain/ [Loss] on foreign currency transactions and translation	71	(53)
Bank commission & charges	55	82
Total	1,270	1,588
[*] The break up of interest expense into major heads is given below:		
On term loans	265	464
On non convertible debentures	-	568
On working capital loans	708	380
On lease liabilities	21	28
Others	150	119
Total	1,144	1,559

NOTE: 39-DEPRECIATION AND AMORTISATION EXPENSE:

₹-Million

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation expenses	5,951	5,664
Amortisation expense	1,452	1,584
Depreciation & Amortization pertaining to discontinued operations	(273)	(552)
Total	7,130	6,696

NOTE: 40-OTHER EXPENSES:

₹-Million

	Year ended March 31, 2022	Year ended March 31, 2021
Research Materials	1,146	1,250
Analytical Expenses	1,686	2,003
Consumption of Stores and spare parts	2,737	2,687
Power & fuel	3,150	2,469
Rent	206	215
Repairs to Buildings	242	218
Repairs to Plant and Machinery	811	894
Repairs to Others	352	301
Insurance	918	830
Rates and Taxes [excluding taxes on income]	250	265
Processing Charges	829	905
Commission to Directors	16	15
Traveling Expenses	769	481
Legal and Professional Fees	3,363	3,709
Net Loss on foreign currency transactions and translation	-	145
Advertisement Expenses	2,514	2,543
Commission on sales	1,460	1,143
Freight and forwarding on sales	4,348	4,372

Notes to the Consolidated Financial Statements

NOTE: 40-OTHER EXPENSES - Continued:

₹-Million

	Year ended March 31, 2022	Year ended March 31, 2021
Representative Allowances	942	861
Other marketing expenses	5,411	5,528
Allowances of credit losses:		
Trade receivables written off	26	13
Expected credit loss	32	118
	58	131
Less: Transferred from expected credit loss	(17)	(17)
	41	114
Allowances for Doubtful Advances:		
Doubtful advances written off	-	5
Allowances for credit impaired	14	124
	14	129
Less: Transferred from allowances for credit impaired	(90)	(1)
	(76)	128
Directors' fees	19	20
Net Loss on disposal of Property, Plant and Equipment [Net of gain]	17	36
Donations	4	98
Miscellaneous Expenses	8,297	7,962
Total	39,452	39,192
Above expenses include Research related expenses as follows:		
Research Materials	1,146	1,250
Analytical expenses	1,469	1,848
Consumption of Stores and spare parts	577	543
Power & Fuel	157	153
Repairs to Buildings	14	14
Repairs to Plant and Machinery	113	115
Repairs to Others	49	49
Insurance	34	22
Traveling Expenses	42	7
Legal and Professional fees	1,537	2,186
Net Loss on disposal of Property, Plant and Equipment	17	2
Miscellaneous Expenses [excluding Depreciation]	2,884	3,010
Total	8,039	9,199

Notes to the Consolidated Financial Statements

NOTE: 41-TAX EXPENSES:

₹-Million

	Year ended March 31, 2022	Year ended March 31, 2021
The major components of income tax expense are:		
A Statement of profit and loss:		
Profit or loss section- Continuing operations:		
Current income tax:		
Current income tax charge	4,422	4,529
Adjustments in respect of current income tax of previous years	(7)	1
	4,415	4,530
Deferred tax:		
Relating to origination and reversal of temporary differences	702	(2,594)
Discontinued operations:		
Current income tax	1,952	125
Deferred tax	(467)	(589)
	1,485	(464)
Tax expense reported in profit or loss	6,602	1,472
OCI Section:		
Tax related to items recognised in OCI during in the year:		
Net loss on remeasurements of defined benefit plans	2	29
Tax charged to OCI	2	29
B Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:		
Profit before tax from continuing operations	28,381	23,992
Profit before tax from discontinued operations	23,942	(1,144)
Profit before tax	52,323	22,848
Enacted Tax Rate in India (%)	34.94%	34.94%
Expected Tax Expenses	18,282	7,983
Adjustments for:		
Tax effect due to non-taxable income for Indian tax purposes	(7,109)	(29)
Effect of unrecognized/ excess deferred tax assets / liabilities	696	219
Effect of non-deductible expenses/ losses	(307)	663
Effect of additional deductions in taxable income	(2,359)	(2,318)
Effect of difference between Indian and Foreign tax rates [including impact of different tax rate in India]	(553)	56
Effect of MAT Credit utilised on which deferred tax asset is not created	(2,065)	(2,984)
Effect of MAT Credit recognized	-	(2,180)*
Others	17	62
Total	(11,680)	(6,511)
Tax Expenses as per Profit or Loss	6,602	1,472

[*] ₹ 2,180 Million of benefit on account of recognition of deferred tax asset on MAT credit of earlier years available to a wholly owned subsidiary [which was not recognised in past, but now has been recognised mainly on account of non-availability of depreciation on goodwill pursuant to an amendment to section 2(11) of the Income Tax Act in the Finance Act, 2021].

Notes to the Consolidated Financial Statements

NOTE: 42-CALCULATION OF EARNINGS PER EQUITY SHARE [EPS]:

₹-Million

			Year ended March 31, 2022	Year ended March 31, 2021
The numerators and denominators used to calculate the basic and diluted EPS are as follows:				
Continuing Operations:				
A	Profit attributable to Shareholders	₹-Million	22,416	22,016
B	Basic and weighted average number of Equity shares outstanding during the year	Numbers	1,023,742,600	1,023,742,600
C	Nominal value of equity share	₹	1	1
D	Basic & Diluted EPS	₹	21.90	21.51
Discontinued Operations:				
A	Profit/ [Loss] attributable to Shareholders	₹-Million	22,457	(680)
B	Basic and weighted average number of Equity shares outstanding during the year	Numbers	1,023,742,600	1,023,742,600
C	Nominal value of equity share	₹	1	1
D	Basic & Diluted EPS	₹	21.94	(0.66)
Continuing & Discontinued Operations:				
A	Profit attributable to Shareholders	₹-Million	44,873	21,336
B	Basic and weighted average number of Equity shares outstanding during the year	Numbers	1,023,742,600	1,023,742,600
C	Nominal value of equity share	₹	1	1
D	Basic & Diluted EPS	₹	43.83	20.84

NOTE: 43-SEGMENT INFORMATION:

A The Chief Operating Decision Maker [CODM] reviews the Group as "Pharmaceuticals" and "Consumer Products" segment. The CODM reviews revenue, results, total assets and total liabilities as the performance indicator of an operating segment.

1 Pharmaceuticals:

This segment represents the business of integrated pharmaceutical operations with business encompassing the entire value chain in the research, development, production, marketing and distribution of pharmaceutical products. The product portfolio of the Group includes Active Pharmaceutical Ingredients [API] and human formulations.

2 Consumer products:

This segment represents the business of development, production, marketing and distribution of differentiated health and wellness products.

₹-Million

			Year ended March 31, 2022	Year ended March 31, 2021
a Segment revenue:				
i	Pharmaceuticals		132,864	125,626
ii	Consumer Products		19,788	18,409
iii	Total revenue from operations		152,652	144,035
b Segment results:				
i	Pharmaceuticals		24,194	23,600
ii	Consumer Products		3,060	2,443
iii	Total profit before exceptional items and tax		27,254	26,043

Notes to the Consolidated Financial Statements

NOTE: 43-SEGMENT INFORMATION - Continued:

		₹-Million	
		Year ended March 31, 2022	Year ended March 31, 2021
c	Segment assets:		
i	Pharmaceuticals	221,032	182,183
ii	Consumer Products	56,922	56,664
iii	Total assets	277,954	238,847
d	Segment liabilities:		
i	Pharmaceuticals	82,322	83,673
ii	Consumer Products	5,094	5,878
iii	Total liabilities	87,416	89,551
B	Geographical market:		
a	Revenue [*]:		
i	India	72,532	58,591
ii	US	59,487	64,485
iii	Others	20,633	20,959
iv	Total	152,652	144,035
b	Non-current operating assets [**]:		
i	India	115,232	112,328
ii	US	8,971	12,034
iii	Others	4,941	4,798
iv	Total	129,144	129,160
C	Revenues derived from single external customer which amount to 10% or more of the Group's revenue	-	-

[*] The revenue information above is based on the locations of the customers.

[**] Non-current assets for this purpose consist of property, plant and equipment, capital work-in-progress and intangible assets.

NOTE: 44-GROUP INFORMATION:

Consolidated Financial Statements as at March 31, 2022 comprise the Financial Statements [FS] of Zydus Lifesciences Limited [ZLL] and its subsidiaries as well as its interest in Joint Ventures, which are as under:

No.	Name	Principal activities	Country of incorporation	Status of FS at March 31, 2022	% equity Interest as at March 31	
					2022	2021
A	Indian subsidiaries:					
1	Zydus Healthcare Limited	Human Pharmaceutical Formulations	India	Audited	100.00	100.00
2	German Remedies Pharmaceuticals Private Limited	Human Pharmaceutical Formulations	India	Audited	100.00	100.00
3	Zydus Wellness Limited	Consumer Health & Wellness	India	Audited	57.59	57.59
4	Zydus Wellness Products Limited	Consumer Health & Wellness	India	Audited	57.59	57.59
5	Liva Investment Limited	Investment	India	Audited	57.59	57.59
6	Liva Nutritions Limited	Consumer Health & Wellness	India	Audited	57.59	57.59

Notes to the Consolidated Financial Statements

NOTE: 44-GROUP INFORMATION: - Continued:

No.	Name	Principal activities	Country of incorporation	Status of FS at March 31, 2022	% equity Interest as at March 31	
					2022	2021
7	Zydus Animal Health and Investments Limited	Animal Health and Veterinary	India	Audited	100.00	100.00
8	Dialforhealth Greencross Limited	Retail Pharmacy	India	Audited	100.00	100.00
9	Dialforhealth Unity Limited	Retail Pharmacy	India	Audited	55.00	55.00
10	Violio Healthcare Limited	Human Pharmaceutical Formulations	India	Audited	100.00	100.00
11	Zydus Pharmaceuticals Limited	Human Pharmaceutical Formulations	India	Audited	100.00	100.00
12	Biochem Pharmaceutical Private Limited	Human Pharmaceutical Formulations	India	Audited	100.00	100.00
13	Zydus Strategic Investments Limited	Investment	India	Audited	100.00	100.00
14	Zydus VTEC Limited	Human Pharmaceutical Formulations	India	Audited	100.00	100.00
B	Foreign subsidiaries:					
1	Zydus Lanka (Private) Limited	Human Pharmaceutical Formulations	Sri Lanka	Audited	100.00	100.00
2	Zydus International Private Limited	Investment and Holding	Ireland	Unaudited	100.00	100.00
3	Zydus Netherlands B.V.	Investment and Holding	Netherlands	Unaudited	100.00	100.00
4	Zydus France, SAS	Human Pharmaceutical Formulations	France	Unaudited	100.00	100.00
5	Laboratorios Combix S.L.	Human Pharmaceutical Formulations	Spain	Unaudited	100.00	100.00
6	Etna Biotech S.R.L.	Research and Development	Italy	Unaudited	100.00	100.00
7	Zydus Healthcare (USA) LLC	Human Pharmaceutical Formulations	U. S. A.	Unaudited	100.00	100.00
8	Zydus Pharmaceuticals (USA) Inc.	Human Pharmaceutical Formulations	U. S. A.	Audited	100.00	100.00
9	Nesher Pharmaceuticals (USA) LLC	Human Pharmaceutical Formulations	U. S. A.	Audited	100.00	100.00
10	ZyVet Animal Health Inc.	Animal Health and Veterinary	U. S. A.	Audited	100.00	100.00
11	Sentynl Therapeutics, Inc	Human Pharmaceutical Formulations	U. S. A.	Audited	100.00	100.00
12	Zydus Noveltech Inc., USA	Human Pharmaceutical Formulations	U. S. A.	Unaudited	100.00	100.00
13	Hercon Pharmaceuticals, LLC	Human Pharmaceutical Formulations	U. S. A.	Unaudited	100.00	100.00
14	Viona Pharmaceuticals Inc.	Human Pharmaceutical Formulations	U. S. A.	Unaudited	100.00	100.00

Notes to the Consolidated Financial Statements

NOTE: 44-GROUP INFORMATION: - Continued:

No.	Name	Principal activities	Country of incorporation	Status of FS at March 31, 2022	% equity Interest as at March 31	
					2022	2021
15	Zydus Therapeutics Inc.	Human Pharmaceutical Formulations	U. S. A.	Unaudited	100.00	100.00
16	Zydus Worldwide DMCC	Human Pharmaceutical Formulations	U. A. E.	Audited	100.00	100.00
17	Zydus Discovery DMCC	Human Pharmaceutical Formulations	U. A. E.	Note-1	100.00	100.00
18	Zydus Wellness [BD] Private Limited	Consumer Health & Wellness	Bangladesh	Audited	57.59	Note-2
19	Zydus Wellness International DMCC	Consumer Health & Wellness	U. A. E.	Audited	57.59	57.59
20	Zydus Nikkho Farmaceutica Ltda.	Human Pharmaceutical Formulations	Brazil	Audited	100.00	100.00
21	Zydus Healthcare SA (Pty) Ltd.	Human Pharmaceutical Formulations	South Africa	Audited	100.00	100.00
22	Simayla Pharmaceuticals (Pty) Ltd	Human Pharmaceutical Formulations	South Africa	Unaudited	100.00	100.00
23	Script Management Services (Pty) Ltd.	Human Pharmaceutical Formulations	South Africa	Unaudited	100.00	100.00
24	Zydus Healthcare Philippines Inc.	Human Pharmaceutical Formulations	Philippines	Unaudited	100.00	100.00
25	Alidac Healthcare (Myanmar) Limited	Human Pharmaceutical Formulations	Myanmar	Unaudited	100.00	100.00
26	Zydus Pharmaceuticals Mexico SA De CV	Human Pharmaceutical Formulations	Mexico	Unaudited	100.00	100.00
27	Zydus Pharmaceuticals Mexico Service Company SA De CV.	Manpower Supply & Administration	Mexico	Unaudited	100.00	100.00
C	Partnership firm:					
1	M/s. Recon Pharmaceuticals and Investments	Human Pharmaceutical Formulations and Investments	India	Audited	100.00	100.00
D	Joint Ventures:					
1	Zydus Takeda Healthcare Private Limited	API	India	Unaudited	50.00	50.00
2	Zydus Hospira Oncology Private Limited	Human Pharmaceutical Formulations	India	Unaudited	50.00	50.00
3	Bayer Zydus Pharma Private Limited	Human Pharmaceutical Formulations	India	Audited	24.999998	24.999998

Notes:

- 1 Zydus Discovery DMCC is merged with Zydus Therapeutics Inc., USA w.e.f. July 01, 2021.
- 2 The Group has incorporated Zydus Wellness [BD] Private Limited in Bangladesh on November 18, 2021.

Notes to the Consolidated Financial Statements

NOTE: 45-STATUTORY GROUP INFORMATION:

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

	Net Assets i.e. total assets minus total liabilities		Share in Profit / [Loss]		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of Consolidated Net Assets	₹- Million	As % of Consolidated Profit / [Loss]	₹- Million	As % of Consolidated other Comprehensive income	₹- Million	As % of total Comprehensive income	₹- Million
Parent:								
Zydus Lifesciences Limited	77.89	132,405	19.12	8,579	(4.03)	42	19.67	8,621
Subsidiaries:								
Indian:								
Zydus Healthcare Limited	26.63	45,270	15.54	6,974	(1.99)	21	15.96	6,995
German Remedies Pharmaceuticals Private Limited	1.09	1,846	1.13	505	0.01	(0)	1.15	505
Zydus Wellness Limited	23.53	40,002	0.28	127	(0.01)	0	0.29	127
Zydus Wellness Products Limited	15.91	27,053	(1.05)	(470)	0.97	(10)	(1.09)	(480)
Liva Investment Limited	0.00	2	0.00	0	-	-	0.00	0
Liva Nutritions Limited	0.01	24	(0.00)	(0)	-	-	(0.00)	(0)
Zydus Animal Health and Investments Limited	14.14	24,044	56.95	25,557	0.33	(3)	58.30	25,554
Dialforhealth Unity Limited	0.00	0	(0.00)	(0)	-	-	(0.00)	(0)
Dialforhealth Greencross Limited	(0.00)	(2)	(0.00)	(0)	-	-	(0.00)	(0)
Violio Healthcare Limited	0.00	0	(0.00)	(0)	-	-	(0.00)	(0)
Zydus Pharmaceuticals Limited	0.07	112	0.03	13	-	-	0.03	13
Biochem Pharmaceutical Private Limited	0.00	0	(0.00)	(0)	-	-	(0.00)	(0)
Zydus Strategic Investments Limited	0.01	10	0.00	0	-	-	0.00	0
Zydus VTEC Limited	0.03	44	0.00	2	0.01	(0)	0.00	1
Recon Pharmaceuticals and Investments	1.09	1,854	0.00	2	-	-	0.00	2
Foreign:								
Zydus Lanka (Private) Limited	0.01	11	0.01	3	-	-	0.01	3
Zydus International Private Limited	3.21	5,455	0.44	198	-	-	0.45	198
Zydus Netherlands B.V.	4.33	7,369	(0.02)	(10)	-	-	(0.02)	(10)
Zydus France, SAS	0.14	230	(0.25)	(113)	-	-	(0.26)	(113)
Laboratorios Combix S.L.	0.14	234	0.00	2	-	-	0.00	2
Etna Biotech S.R.L.	(0.04)	(66)	(0.06)	(27)	-	-	(0.06)	(27)
Zydus Healthcare (USA) LLC	0.02	38	0.00	2	-	-	0.01	2
Zydus Pharmaceuticals (USA) Inc.	9.23	15,684	4.90	2,197	-	-	5.01	2,197

Notes to the Consolidated Financial Statements

NOTE: 45-STATUTORY GROUP INFORMATION - Continued:

	Net Assets i.e. total assets minus total liabilities		Share in Profit / [Loss]		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of Consolidated Net Assets	₹- Million	As % of Consolidated Profit / [Loss]	₹- Million	As % of Consolidated other Comprehensive income	₹- Million	As % of total Comprehensive income	₹- Million
Nesher Pharmaceuticals (USA) LLC	(4.91)	(8,347)	(6.76)	(3,033)	-	-	(6.92)	(3,033)
ZyVet Animal Health Inc.	(0.07)	(119)	(0.14)	(62)	-	-	(0.14)	(62)
Sentynl Therapeutics, Inc	2.11	3,589	(1.74)	(781)	-	-	(1.78)	(781)
Zydus Noveltech Inc., USA	1.94	3,306	(0.01)	(3)	-	-	(0.01)	(3)
Hercon Pharmaceuticals, LLC	0.15	262	(1.26)	(566)	-	-	(1.29)	(566)
Viona Pharmaceuticals INC [USA]	(0.02)	(27)	0.06	28	-	-	0.06	28
Zydus Therapeutics Inc.	0.34	573	(1.75)	(785)	-	-	(1.79)	(785)
Zydus Wellness BD Private Limited	(0.00)	(0)	(0.00)	(1)	-	-	(0.00)	(1)
Zydus Worldwide DMCC	(3.97)	(6,741)	(2.27)	(1,018)	0.09	(1)	(2.33)	(1,019)
Zydus Discovery DMCC	-	-	(0.20)	(90)	-	-	(0.21)	(90)
Zydus Wellness International DMCC	0.04	76	0.07	30	0.01	(0)	0.07	30
Zydus Nikkho Farmaceutica Ltda.	1.06	1,797	0.44	196	-	-	0.45	196
Zydus Healthcare SA (Pty) Ltd.	0.43	727	0.13	56	-	-	0.13	56
Simayla Pharmaceuticals (Pty) Ltd	(0.31)	(527)	(0.00)	(0)	-	-	(0.00)	(0)
Script Management Services (Pty) Ltd.	0.00	3	0.00	0	-	-	0.00	0
Zydus Healthcare Philippines Inc.	0.29	485	0.20	89	(0.01)	0	0.20	89
Alidac Healthcare (Myanmar) Limited	0.65	1,111	(0.08)	(37)	-	-	(0.08)	(37)
Zydus Pharmaceuticals Mexico SA De CV	(0.15)	(260)	0.05	24	-	-	0.05	24
Zydus Pharmaceuticals Mexico Service Company SA De CV.	(0.00)	(3)	(0.00)	(2)	-	-	(0.00)	(2)
Minority Interests in all subsidiaries	(12.08)	(20,542)	(2.92)	(1,310)	(0.38)	4	(2.98)	(1,306)
Share of Joint Ventures [as per equity method]	-	-	1.03	462	0.10	(1)	1.05	461
Total Eliminations/ Consolidation Adjustments	(62.93)	(1,06,986)	18.13	8,135	104.92	(1,092)	16.07	7,043
Grand Total	100.00	169,996	100.00	44,873	100.00	(1,041)	100.00	43,832

Notes to the Consolidated Financial Statements

NOTE: 46-RELATED PARTY TRANSACTIONS:

A Name of the Related Parties and Nature of the Related Party Relationship with whom transactions have taken place:	
a Entity having control over the Company :	Zydus Family Trust [Holding 74.86 % in the Parent]
b Subsidiary Company:	Zydus Foundation - Refer Note-5 [^]
c Joint Venture Companies:	Zydus Hospira Oncology Private Limited Bayer Zydus Pharma Private Limited Zydus Takeda Healthcare Private Limited
d Key Managerial Personnel:	Mr. Pankaj R. Patel Chairman Dr. Sharvil P. Patel Managing Director & son of Chairman Mr. Ganesh N. Nayak Executive Director Mr. Mukesh M. Patel Non-Executive Director Mr. Apurva S. Diwanji Independent Director Mr. Nitin R. Desai Independent Director Ms. Dharmishtaben N. Raval Independent Director Mr. Bhadresh K. Shah Independent Director Mr. Nitin D. Parekh Executive Officer [Chief Financial Officer] Mr. Dhaval N. Soni Executive Officer [Company Secretary]
e Enterprises significantly influenced by Directors and/or their relatives:	Cadmach Machinery Company Private Limited Cadila Laboratories Private Limited Zydus Hospitals and Healthcare Research Private Limited Mukesh M. Patel & Co. Zydus Hospitals (Vadodra) Private Limited M/s. International Tax and Investments Consultants Zydus Infrastructure Private Limited Karmic Lifesciences LLP Oneiro Chemicals Private Limited
f Post Employment Benefits Plans:	Cadila Healthcare Limited Employees Group Gratuity Scheme Zydus Wellness Sikkim Employees Group Gratuity Scheme Cadila Healthcare Ltd. Managerial Cadre EPF Heinz India Private Limited Provident Fund Zydus Healthcare Limited Employees Group Gratuity Scheme Heinz India Private Limited Employee Provident Fund Zydus Healthcare Ltd, German Remedies Division Employees Group Gratuity Assurance Scheme Heinz India Private Limited Pension Fund Zydus Wellness Limited Employees Group Gratuity Scheme

Notes to the Consolidated Financial Statements

NOTE: 46-RELATED PARTY TRANSACTIONS - Continued:

The following transactions were carried out with the related parties in the ordinary course of business and at arm's length terms:

a Details relating to parties referred to in Note-46-A [a & b]

Nature of Transactions	Value of the Transactions [₹-Million]			
	Entity having control over the Parent		Subsidiary Company	
	Year ended March 31,			
	2022	2021	2022	2021
Issue of Shares:				
Zydus Family Trust	-	3,499	-	-
Dividend Paid				
Zydus Family Trust	2,705	-	-	-
CSR Expenses:				
Zydus Foundation	-	-	369	333
Advance CSR contribution:				
Zydus Foundation	-	-	-	735
Interest Income:				
Zydus Foundation	-	-	5	5

b Details relating to parties referred to in Note-46-A [c & e]

Nature of Transactions	Value of the Transactions [₹-Million]			
	Joint Venture Companies		Enterprises significantly influenced by Directors and/ or their relatives	
	Year ended March 31,			
	2022	2021	2022	2021
Purchases:				
Goods:				
Zydus Hospira Oncology Private Limited	14	10	-	-
Oneiro Chemicals Private Limited	-	-	378	-
Cadmach Machinery Company Private Limited	-	-	3	4
Total	14	10	381	4
Property, Plant and Equipment:				
Cadmach Machinery Company Private Limited	-	-	31	62
Zydus Infrastructure Private Limited	-	-	-	443
Total	-	-	31	505
Reimbursement of Expenses paid:				
Zydus Hospira Oncology Private Limited	16	4	-	-
Zydus Infrastructure Private Limited	-	-	-	26
Total	16	4	-	26
Services:				
Zydus Infrastructure Private Limited	-	-	211	117
Others	-	-	37	26
Total	-	-	248	143
Sales:				
Goods:				
Bayer Zydus Pharma Private Limited	221	251	-	-
Zydus Takeda Healthcare Private Limited	62	41	-	-
Zydus Hospitals and Healthcare Research Private Limited	-	-	64	39
Others	1	1	19	-
Total	284	293	83	39
Reimbursement of Expenses Recovered:				
Zydus Hospira Oncology Private Limited	1	-	-	-

Notes to the Consolidated Financial Statements

NOTE: 46-RELATED PARTY TRANSACTIONS - Continued:

Nature of Transactions	Value of the Transactions [₹-Million]			
	Joint Venture Companies		Enterprises significantly influenced by Directors and/ or their relatives	
	Year ended March 31,			
	2022	2021	2022	2021
Finance:				
Interest Income:				
Bayer Zydus Pharma Private Limited	5	17	-	-
Outstanding:				
Payable:				
Zydus Hospira Oncology Private Limited	9	1	-	-
Cadila Laboratories Private Limited	-	-	22	22
Oneiro Chemicals Private Limited	-	-	64	-
Others	-	-	35	3
Total	9	1	121	25
Receivable:				
Bayer Zydus Pharma Private Limited	20	98	-	-
Zydus Infrastructure Private Limited	-	-	29	-
Oneiro Chemicals Private Limited	-	-	19	-
Others	-	13	6	30
Total	20	111	54	30

c Details relating to persons referred to in Note-46-A [d] above:

	₹-Million	
	Year ended March 31, 2022	Year ended March 31, 2021
[i] Salaries and other employee benefits to Chairman, Managing Director, Executive Director and other executive officers	431	624
[ii] Commission and Sitting Fees to Non Executive/ Independent Directors	27	28
[iii] Outstanding payable to above (i) and (ii)	73	110

d Details relating to persons referred to in Note-46-A [f] above:

	₹-Million	
	Year ended March 31, 2022	Year ended March 31, 2021
[i] Contributions [including Employees' share and contribution]	843	877

NOTE: 47-EXCEPTIONAL ITEMS:

	₹-Million	
	Year ended March 31, 2022	Year ended March 31, 2021
1 [Profit] on sale of brands by Zydus Healthcare Limited, a wholly owned subsidiary	(1,127)	-
2 Impairment charge on intangible asset relating to "Levorphanol", a product forming part of the US Specialty product segment [^]	-	731
3 Premium on Non-Convertible Debentures upon their purchase by the Group	-	1,320
4 Total	(1,127)	2,051
[^] Consequent to the entry of a new competitor in "Levorphanol", a product forming part of the US Specialty business, the group assessed the recoverable amount related to intangibles of Sentyln Therapeutics Inc. ["STI"], a 100% subsidiary of the Company. Accordingly, STI has recognised an amount of ₹ 731 Million as an impairment charge in previous year.		

Notes to the Consolidated Financial Statements

NOTE: 48-MATERIAL PARTLY-OWNED SUBSIDIARIES:

₹-Million

	Profit/ [Loss] allocated to non-controlling interests		Accumulated non-controlling interests	
	Year ended March 31		As at March 31	
	2022	2021	2022	2021
Zydus Wellness Limited *	1,310	514	20,543	19,373
Individually immaterial subsidiaries with non-controlling interests	-	-	(1)	-
Total	1,310	514	20,542	19,373

Financial information of a subsidiary that have material non-controlling interests [NCI] is provided below:

Name of Subsidiary Place of Incorporation and operations	Zydus Wellness Limited *	
	India	
	₹-Million	
	As at March 31,	
	2022	2021
% of Ownership	57.59%	57.59%
Summarised balance sheet:		
Current assets	8,137	8,469
Current liabilities	7,668	7,709
Net current assets	469	760
Non-current assets	48,784	48,195
Non-current liabilities	813	3,277
Net non-current assets	47,971	44,918
Net assets	48,440	45,678
Accumulated NCI	20,543	19,373

₹-Million

	Year ended March 31,	
	2022	2021
Summarised statement of profit and loss:		
Revenue	20,195	18,756
Expenses	17,135	16,313
Profit after Tax	3,089	1,187
Other Comprehensive Income	(8)	19
Total comprehensive income	3,081	1,206
Profit allocated to NCI	1,310	514
Dividends paid to NCI	135	-
Summarised Cash Flow Statement:		
Net cash inflow from operating activities	2,369	2,867
Net cash inflow/(outflow) from investing activities	(589)	(104)
Net cash inflow/(outflow) from financing activities	(2,338)	(2,164)

* Consolidated financial information of Zydus Wellness Limited

Notes to the Consolidated Financial Statements

NOTE: 49-FINANCIAL INSTRUMENTS:

A Fair values hierarchy:

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 : Quoted prices [unadjusted] in active markets for financial instruments.

Level 2 : Inputs other than quoted prices included within Level 1 which are observable for the assets or liabilities, either directly or indirectly.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

B Financial assets and liabilities measured at fair value - recurring fair value measurements:

₹-Million

	As at March 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVTPL:				
Mutual funds	23,532	-	-	23,532
Derivative not designated as hedge:				
Forward Contract value related to investment in a Joint Venture	-	-	1,714	1,714
Derivative designated as hedge:				
Receivables for Forward Contract	-	252	-	252
Financial Investments at FVOCI:				
Quoted equity instruments	914	-	-	914
Unquoted equity instruments	-	11	-	11
Total financial assets	24,446	263	1,714	26,423
Financial liabilities	-	-	-	-
	As at March 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVTPL:				
Mutual funds	1,989	-	-	1,989
Derivative not designated as hedge:				
Forward Contract value related to investment in a Joint Venture	-	-	1,590	1,590
Derivative designated as hedge:				
Receivables for Forward Contract	-	348	-	348
Financial Investments at FVOCI:				
Quoted equity instruments	867	-	-	867
Unquoted equity instruments	-	8	-	8
Total financial assets	2,856	356	1,590	4,802
Financial liabilities	-	-	-	-

Notes to the Consolidated Financial Statements

NOTE: 49-FINANCIAL INSTRUMENTS - Continued:

C Fair value of instruments measured at amortised cost:

Financial assets and liabilities measured at amortised cost for which fair values are disclosed:

₹-Million

	Carrying Value	As at March 31, 2022			Total
		Level 1	Level 2	Level 3	
Financial assets:					
Investment in preference shares	9	-	9	-	9
Bonds	2,795	2,795	-	-	2,795
		As at March 31, 2021			
Financial assets:					
Investment in preference shares	9	-	9	-	9
Bonds	102	102	-	-	102

Financial Assets:

The carrying amounts of trade receivables and other financial assets [other than derivatives], cash and cash equivalents are considered to be the approximately equal to the fair values.

Financial Liabilities:

Fair values of loans from banks, other financial liabilities and trade payables are considered to be approximately equal to the carrying values.

D Valuation process and technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- a The use of quoted market prices for similar instruments.
- b Fair value of Forward Contract value related to investment in a Joint Venture has been determined considering the estimated exercise price and value of the underlying entity. The valuation has been derived using the Present Value technique under Income Approach. The valuation includes significant unobservable inputs like Weighted Average Cost of Capital [WACC], revenue forecast, etc.

Significant unobservable inputs:

Budgeted Sales growth rate : 11.5% per annum

Weighted Average Cost of Capital : 7.1% per annum

For recurring fair value measurements using significant unobservable inputs [Level 3], the effect of the measurement on profit or loss or other comprehensive income for the period is provided below:

Movement in Forward Contract value related to investment in a Joint Venture:

₹-Million

	As at March 31, 2022	As at March 31, 2021
Value as at beginning of the year	1,590	1,866
[Less]/ Add: [Loss]/ Gain on valuation of Forward Contract value related to investment in a Joint Venture	123	(276)
Value as at end of the year	1,714	1,590
Out of above, amount disclosed under-		
Other Non-Current Financial Assets [Note-6]	1,714	1,590

Notes to the Consolidated Financial Statements

NOTE: 49-FINANCIAL INSTRUMENTS - Continued:

Sensitivity analysis for valuation of Forward Contract value related to investment in a Joint Venture:

a Sensitivity in value for 50 basis points change in Weighted Average Cost of Capital [WACC]-

₹-Million

	As at March 31, 2022		As at March 31, 2021	
	-0.50%	+0.50%	-0.50%	+0.50%
Impact on value of the contract	24	(24)	30	(30)

NOTE: 50-FINANCIAL RISK MANAGEMENT:

A Financial instruments by category:

₹-Million

	As at March 31, 2022			Total
	FVTPL	FVOCI	Amortised Cost	
Financial assets:				
Investments:				
Equity instruments [other than investment in Equity of a subsidiary]	-	925	-	925
Preference shares	-	-	9	9
Debentures	-	-	1,472	1,472
Bonds	-	-	2,795	2,795
Partnership Firm	-	403	-	403
Mutual funds	23,532	-	-	23,532
Non Current Other Financial Assets [other than Forward Contract value related to investment in a JV]	-	-	732	732
Forward Contract value related to investment in a Joint Venture	1,714	-	-	1,714
Trade receivables	-	-	33,403	33,403
Cash and Cash Equivalents	-	-	11,069	11,069
Receivables for Forward Contract	252	-	-	252
Other Current Financial Assets	-	-	6,412	6,412
Total	25,498	1,328	55,892	82,718
Financial liabilities:				
Borrowings [including current maturities and interest accrued but not due]	-	-	42,004	42,004
Non Current Other Financial Liabilities	-	-	610	610
Trade payables	-	-	21,378	21,378
Payable for Capital Goods	-	-	1,052	1,052
Book Overdraft	-	-	1	1
Other Current Financial Liabilities	-	-	11,516	11,516
Total	-	-	76,561	76,561

Notes to the Consolidated Financial Statements

NOTE: 50-FINANCIAL RISK MANAGEMENT - Continued:

₹-Million

	As at March 31, 2021			Total
	FVTPL	FVOCI	Amortised Cost	
Financial assets:				
Investments:				
Equity instruments [other than investment in Equity of a subsidiary]	-	875	-	875
Preference shares	-	-	9	9
Debentures	-	-	1,355	1,355
Bonds	-	-	102	102
Partnership Firm	-	400	-	400
Mutual funds	1,989	-	-	1,989
Non Current Other Financial Assets [other than Forward Contract value related to investment in a JV]	-	-	928	928
Forward Contract value related to investment in a Joint Venture	1,590	-	-	1,590
Trade receivables	-	-	31,273	31,273
Cash and Cash Equivalents	-	-	8,883	8,883
Receivables for Forward Contract	348	-	-	348
Other Current Financial Assets	-	-	1,996	1,996
Total	3,927	1,275	44,546	49,748
Financial liabilities:				
Borrowings [including current maturities and interest accrued but not due]	-	-	45,867	45,867
Non Current Other Financial Liabilities	-	-	541	541
Trade payables	-	-	22,059	22,059
Payable for Capital Goods	-	-	1,245	1,245
Book Overdraft	-	-	76	76
Other Current Financial Liabilities	-	-	9,496	9,496
Total	-	-	79,284	79,284

B Risk Management:

The Group's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the Group is exposed to and how the entity manages the risk and the related impact in the financial statements.

The Group's risk management is done in close co-ordination with the board of directors and focuses on actively securing the Group's short, medium and long-term cash flows by minimizing the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below:

a Credit risk:

Credit risk arises from the possibility that counter party may not be able to settle its obligations as agreed. The Group is exposed to credit risk from investment in preference shares measured at amortised cost, loans and advances to related parties, trade receivables, bank deposits and other financial assets. The Group periodically assesses the financial reliability of the counter party taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual customer limits are set accordingly.

Notes to the Consolidated Financial Statements

NOTE: 50-FINANCIAL RISK MANAGEMENT - Continued:

- i Investments at Amortised Cost : They are strategic investments in the normal course of business of the Group. The Group closely monitors the performance of these Companies.
- ii Bank deposits : The Group maintains its Cash and cash equivalents and Bank deposits with reputed and highly rated banks. Hence, there is no significant credit risk on such deposits.
- iii The counter party to the forward contract value related to the Investment in a Joint Venture is the associate entity of co-venturer of one of Joint Ventures. The contract is governed by a shareholders' agreement which has the needful representations by the counter party. The Group is exposed to insignificant credit risk in relation to the same.
- iv Trade Receivable: The Group trades with recognized and credit worthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Group's exposure to credit losses is not significant.
- v The Group is exposed to credit risk in the event of non-payment by customers. Credit risk concentration with respect to trade receivables is mitigated by the Group's large customer base. Adequate expected credit losses are recognized as per the assessments.

As at March 31, 2022, there are three customers [as at March 31, 2021, there was no customer] [all are wholesalers based in USA] whose outstanding balance exceed 10% of the total receivables. The Group has used lifetime expected credit loss [ECL] model for assessing the impairment loss. For the purpose, the Group uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.

Financial assets for which loss allowances is measured using the expected credit loss:

	₹-Million	
	As at March 31, 2022	As at March 31, 2021
Trade Receivables:		
Less than 180 days	33,080	30,846
180 - 365 days	183	145
Above 365 days	140	282
Total	33,403	31,273
Movement in the expected credit loss allowance on trade receivables:		
Balance at the beginning of the year	317	202
Addition	32	118
Recoveries	(17)	(17)
Exchange rate differences	(27)	14
Balance at the end of the year	305	317

Other than trade receivables, the Group has no significant class of financial assets that is past due but not impaired.

b Liquidity risk:

- a Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Group maintains flexibility in funding by maintaining availability under committed facilities.
- b Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the group operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Notes to the Consolidated Financial Statements

NOTE: 50-FINANCIAL RISK MANAGEMENT - Continued:

Maturities of financial liabilities:

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

₹-Million

	< 1 year	1-2 year	2-3 year	> 3 years	Total
As at March 31, 2022					
Non-derivative Financial Liabilities:					
Borrowings [including current maturities and interest]	38,852	1,953	790	1,029	42,624
Other non current financial liabilities	-	60	32	518	610
Trade payable	21,378	-	-	-	21,378
Accrued Expenses	11,370	-	-	-	11,370
Payable for Capital Goods	1,052	-	-	-	1,052
Unpaid dividend	54	-	-	-	54
Other Current Financial Liabilities	89	-	-	-	89
Total	72,795	2,013	822	1,547	77,177

	< 1 year	1-2 year	2-3 year	> 3 years	Total
As at March 31, 2021					
Non-derivative Financial Liabilities:					
Borrowings [including current maturities and interest]	40,095	4,931	1,228	-	46,254
Other non current financial liabilities	-	88	55	398	541
Trade payable	22,059	-	-	-	22,059
Accrued Expenses	9,350	-	-	-	9,350
Payable for Capital Goods	1,245	-	-	-	1,245
Unpaid dividend	56	-	-	-	56
Other Current Financial Liabilities	166	-	-	-	166
Total	72,971	5,019	1,283	398	79,671

c Foreign currency risk:

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Group's functional currency. The Group's operations in foreign currency create natural foreign currency hedge. This results in insignificant net open foreign currency exposures considering the volumes and operations of the Group.

Notes to the Consolidated Financial Statements

NOTE: 50-FINANCIAL RISK MANAGEMENT - Continued:

Sensitivity:

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:

₹-Million

	As at March 31, 2022			As at March 31, 2021		
	Movement in Rate	Impact on PAT [*]	Impact on Other Equity [*]	Movement in Rate	Impact on PAT [*]	Impact on Other Equity [*]
USD	4.00%	103	13	7.00%	(714)	19
USD	-4.00%	(103)	(13)	-7.00%	714	(19)
Others	2.00%	12	-	5.00%	16	-
Others	-2.00%	(12)	-	-5.00%	(16)	-

* Holding all other variables constant

d Interest rate risk:

Liabilities:

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at March 31, 2022, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group's investments in Fixed Deposits are at fixed interest rates.

Sensitivity*:

Below is the sensitivity of profit or loss and equity to changes in interest rates:

₹-Million

	Movement in Rate	As at March 31, 2022	As at March 31, 2021
Interest rates	+0.50%	(137)	(150)
Interest rates	-0.50%	137	150

* Holding all other variables constant

e Price risk:

Exposure:

The group's exposure to price risk arises from investments in equity and mutual funds held by the group and classified in the balance sheet as fair value through OCI and at fair value through profit or loss respectively. To manage its price risk arising from investments in equity securities and mutual funds, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the group.

Sensitivity*:

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the period.

	Movement in Rate	As at March 31, 2022		As at March 31, 2021	
		Impact on PAT	Impact on Other Equity	Impact on PAT	Impact on Other Equity
Equity Instruments [Quoted]					
Increase	+10.00%	-	91	-	87
Decrease	-10.00%	-	(91)	-	(87)
Mutual Funds [Quoted]					
Increase	+2.00%	471	-	40	-
Decrease	-2.00%	(471)	-	(40)	-

* Holding all other variables constant

Notes to the Consolidated Financial Statements

NOTE: 50-FINANCIAL RISK MANAGEMENT - Continued:

C Hedge:

Disclosure of effects of hedge accounting on financial position:

Fair Value Hedge:

Hedged item - Changes in fair value of trade receivables attributable to changes in foreign exchange rates

Hedging instrument - Changes in fair value of forward contracts attributable to foreign exchange rates [including foreign currency borrowings in previous year]

Net Investment Hedge:

Hedged item - Changes towards translation adjustments resulting from translating the functional currency of financial statements of foreign operations Hedging instrument - Changes in fair value of certain foreign currency borrowings attributable to foreign exchange rates

Type of hedged risk	Carrying amount [USD-Million]	Carrying amount [₹-Million]	Maturity Date	Hedge Ratio	Balance sheet classification	Changes in fair value relating to hedged risk [₹-Million]
As at March 31, 2022						
Fair Value Hedge:						
Hedging instrument: Certain Forward Contracts	355	26,916	Range - Within 7 months	1:1	Other Current Financial Assets	252
Hedged item: Certain foreign currency trade receivables	355	26,916	Range - Within 7 months		Trade Receivables	252
Net Investment Hedge:						
Hedging instrument: Certain Foreign currency borrowings	83	6,318	Range - upto 3 years		Borrowings	122
Hedged item: Net investment in certain foreign subsidiaries	83	6,318	N.A.		Net Investment in certain foreign subsidiaries	122
As at March 31, 2021						
Fair Value Hedge:						
Hedging instrument: Certain Foreign currency borrowings and forward contracts	355	25,965	Range - Within 7 months	1:1	Borrowings and Other Current Financial Assets	413
Hedged item: Certain foreign currency receivables	355	25,965	Range - Within 7 months		Trade Receivables	413
Net Investment Hedge:						
Hedging instrument: Certain Foreign currency borrowings	167	12,910	Range - upto 4 years	1:1	Borrowings	7
Hedged item: Net investment in certain foreign subsidiaries	167	12,910	N.A.		Net Investment in certain foreign subsidiaries	7

Notes to the Consolidated Financial Statements

NOTE: 50-FINANCIAL RISK MANAGEMENT - Continued:

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the dollar offset method to assess effectiveness. There was no hedge ineffectiveness in any of the periods presented above.

NOTE: 51-CAPITAL MANAGEMENT:

The Group's capital management objectives are:

- a To ensure the Group's ability to continue as a going concern
- b To provide an adequate return to shareholders; and
- c To maintain an optimal capital structure to reduce the cost of capital.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

	₹-Million	
	As at March 31, 2022	As at March 31, 2021
Gross debts	41,960	45,835
Total equity	1,69,996	1,29,923
Gross debt to equity ratio [No. of times]	0.25	0.35

Loan covenants:

Under the terms of the major borrowing facilities, the group is required to comply with the following financial covenant:

- Gross Debt to Equity must be less than 2:1

This is in line with the Group's covenants as agreed with external Lenders.

NOTE: 52: ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS:

During the year, the Group has decided to close the manufacturing facilities of Neshor Pharmaceuticals (USA) LLC [Neshor] and Hercon Pharmaceuticals (USA) LLC [Hercon], both wholly owned subsidiaries of the Group. Consequently, operations of both Neshor and Hercon have been considered and disclosed as "Discontinued Operations" as per Ind AS 105. Accordingly, figures of previous periods have been reclassified and disclosed separately under the head "Profit from the Discontinued Operations". Also all the assets and liabilities of Neshor and Hercon as on March 31, 2022 have been considered as "Held for sale" as per Ind AS 105 and disclosed separately under in Balance Sheet.

Notes to the Consolidated Financial Statements

NOTE: 52: ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS - Continued:

A Financial performance and cash flow information of Discontinued Operations:

		₹-Million	
		As at March 31, 2022	As at March 31, 2021
a	Financial performance		
1	Total Revenue	671	966
2	Total expenses	1,792	3,494
3	Loss before Exceptional items and Tax	(1,121)	(2,528)
4	Exceptional Items [Including impairment on Property, Plant and Equipments and Capital-Works-in progress, deferred tax assets and other assets]	2,084	-
5	Loss before tax	(3,205)	(2,528)
6	Tax Expense - Credit	477	816
7	Loss after tax	(2,728)	(1,712)
b	Cash flow information		
1	Net cash inflow (outflow) from operating activities	(38)	(48)
2	Net cash inflow (outflow) from investing activities	57	(17)
3	Net cash inflow (outflow) from financing activities	-	-
4	Net increase (decrease) in cash generated from discontinued operations	19	(65)

B Assets and liabilities classified as held for sale:

The following assets and liabilities are reclassified as held for sale at fair value as at March 31, 2022:

		₹-Million
1	Property, plant and equipment	1,245
2	Capital works-in-progress	192
3	Trade receivables	27
4	Other current assets	198
a	Total Assets classified as held for sale	1,662
1	Trade payables	60
2	Other current liabilities	66
b	Total Liabilities classified as held for sale	126

NOTE: 53-DISCONTINUED OPERATIONS:

- A On May 12, 2021, Zydus Animal Health and Investment Limited ["ZAHIL"], a wholly owned subsidiary of the Group, entered into a Business Transfer Agreement ["BTA"] and other Ancillary Agreements [together "Definitive Agreements"] for sale of its Animal Healthcare Established Markets Undertaking ["AHESTM"], comprising animal healthcare business in India and certain other countries to Zenex Animal Health India Private Limited [formerly known as Nutrizvit Animal Health India Private Limited] ["Purchaser"], by way of a slump sale, without values being assigned to the individual assets and liabilities, on a debt free and cash free basis, subject to certain closing date adjustments and other conditions specified in the BTA. The said transaction was approved by the shareholders of the Parent by way of a special resolution on June 11, 2021. Consequently, AHESTM has been considered and disclosed as "Discontinued Operations" as per Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations". Accordingly, figures of previous have been reclassified and disclosed separately under the head "Profit from the Discontinued Operations". The transaction of sale and disposal of AHESTM was completed on July 14, 2021.

Notes to the Consolidated Financial Statements

NOTE: 53-DISCONTINUED OPERATIONS - Continued:

B Financial performance and cash flow information [at a consolidated level]:

The financial performance and cash flow information of discontinued operations is as under:

		₹-Million	
		As at March 31, 2022	As at March 31, 2021
A	Financial performance		
1	Total Revenue	1,740	6,043
2	Total expenses	1,399	4,659
3	Profit before tax	341	1,384
4	Tax Expense	84	352
5	Profit after tax	257	1,032
6	Profit recognized on sale and disposal of AHESTM *	24,928	-
7	Profit after tax from operations	25,185	1,032
B	Cash flow information		
1	Net cash inflow (outflow) from operating activities	300	1,607
2	Net cash inflow (outflow) from investing activities	28,572	(13)
3	Net cash inflow (outflow) from financing activities	(1)	(3)
4	Net increase (decrease) in cash generated from discontinued operations	28,871	1,591

* Profit recognized on sale and disposal of AHESTM [at a consolidated level] as under:

		₹-Million
A	Consideration received in cash [Net off transaction cost]	28,585
B	Carrying amount of net assets to be sold	1,779
C	Profit before tax on fair valuation of net assets	26,806
D	Tax Expense	1,878
E	Profit after tax on fair valuation of net assets	24,928

NOTE: 54-COVID 19 IMPACT:

The World Health Organisation [WHO] declared Covid-19 to be a global pandemic in March 2020. Majority of the countries across the globe were into partial or full lockdown, impacting business operations across various sectors with severe restrictions on movement of people and goods.

The Group has implemented several initiatives across its manufacturing and other business locations including allowing work from homes, social distancing at work places and proper sanitization of work places etc. for ensuring safety of its employees and continuity of its business operations with minimal disruption. The Group operates in manufacturing and selling of pharmaceutical products, which are classified as essential commodities and hence its operations continued to be run with fewer challenges on people movement and supply chain.

As per the current assessment of the situation based on the internal and external information available up to the date of approval of these financial statements by the Board of Directors, the Group believes that the impact of Covid-19 on its business, assets, internal financial controls, profitability and liquidity, both present and future, would be limited and there is no indication of any material impact on the carrying amounts of inventories, goodwill, intangible assets, trade receivables, investments and other financial assets. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements and the Group will closely monitor any material changes to the economic environment and their impact on its business in the times to come.

Notes to the Consolidated Financial Statements

NOTE: 55:

- [a] The Parent and Indian Subsidiaries have not advanced or loaned or invested funds [either from borrowed funds or share premium or any other sources or kind of funds] to any other persons or entities, including foreign entities [Intermediaries], with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company [Ultimate Beneficiaries] or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- [b] The Parent and Indian Subsidiaries have not received any funds from any persons or entities, including foreign entities [Funding Party] with the understanding [whether recorded in writing or otherwise], that the Company shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party [Ultimate Beneficiaries] or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE: 56-DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES:

The Group did not have any material transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the current and previous financial year.

NOTE: 57:

Figures of previous year have been regrouped/ reclassified to conform to current year's classification.

Signatures to Significant Accounting Policies and Notes 1 to 57 to the Financial Statements

For and on behalf of the Board

Pankaj R. Patel
Chairman
DIN: 00131852

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995
Ahmedabad
May 20, 2022

STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES/ ASSOCIATES/ JOINT VENTURES

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014]

Part: "A" - Subsidiaries:

Sr. No.	Name of the Subsidiary	Date of incorporation/ acquisition	Reporting year ended	Reporting Currency	Exchange Rate	₹ - Million										% of share-holding
						Share Capital	Reserves	Total Assets	Total Liabilities	Investments other than investments in subsidiaries	Turnover & Other income from Operations *	Profit/ (Loss) before Taxation *	Provision for Taxation *	Profit/ (Loss) after taxation *	Proposed Dividend	
1	Zydus Wellness Limited	08-Jun-06	March 31, 2022	₹	1.00	636.30	39,365.50	40,905.00	903.20	120.20	2,162.50	52.20	(74.80)	127.00	318.20	57.59%
2	Zydus Wellness Products Limited	28-Feb-19	March 31, 2022	₹	1.00	2,188.40	24,865.00	41,802.90	14,749.50	150.00	18,816.80	(887.50)	(417.80)	(469.70)	-	57.59%
3	Zydus Healthcare Limited	11-Aug-03	March 31, 2022	₹	1.00	217.00	45,054.00	56,285.00	11,014.00	5,283.00	34,720.00	7,619.00	645.00	6,974.00	-	100.00%
4	Zydus Pharmaceuticals Limited (#)	26-Dec-19	March 31, 2022	₹	1.00	100.00	11.56	3,657.97	3,546.41	-	13.34	13.21	(0.13)	13.34	-	100.00%
5	Biochem Pharmaceutical Private Limited (#)	27-Nov-19	March 31, 2022	₹	1.00	0.10	(0.05)	0.06	0.01	-	-	(0.01)	-	(0.01)	-	100.00%
6	Dialforhealth Unity Limited	23-Jun-05	March 31, 2022	₹	1.00	0.50	(2.98)	0.08	2.56	-	-	(0.11)	-	(0.11)	-	55.00%
7	Dialforhealth Greencross Limited	08-Jul-05	March 31, 2022	₹	1.00	2.50	(2.10)	0.41	0.01	-	-	0.01	-	0.01	-	100.00%
8	German Remedies Pharmaceuticals Private Limited	29-Mar-18	March 31, 2022	₹	1.00	668.30	1,177.80	2,670.50	824.40	146.70	4,417.60	680.00	175.10	504.90	-	100.00%
9	Liva Investment Limited	24-Dec-18	March 31, 2022	₹	1.00	2.50	(0.56)	1.97	0.04	-	-	0.04	-	0.04	-	57.59%
10	Liva Nutritions Limited	21-Dec-18	March 31, 2022	₹	1.00	30.50	(6.46)	24.08	0.04	-	-	0.04	(0.00)	0.04	-	57.59%
11	Violio Healthcare Limited (#)	20-Mar-18	March 31, 2022	₹	1.00	0.50	(0.06)	0.45	0.01	-	-	(0.01)	-	(0.01)	-	100.00%
12	Zydus Animal Health and Investments Limited	10-May-18	March 31, 2022	₹	1.00	17,744.00	6,512.00	24,599.00	343.00	18,012.00	651.00	316.00	79.00	237.00	-	100.00%
13	Zydus Strategic Investments Limited	10-Jul-20	March 31, 2022	₹	1.00	10.00	0.07	10.08	0.01	-	-	0.35	0.08	0.28	-	100.00%
14	Zydus VTEC Limited	08-Sep-20	March 31, 2022	₹	1.00	75.00	(30.76)	5,296.66	5,252.42	-	814.76	10.08	8.55	1.53	-	100.00%
15	Zydus Lanka (Private) Limited	11-Apr-11	March 31, 2022	LKR	0.28	10.38	0.53	11.34	0.44	-	20.06	3.49	0.22	3.27	-	100.00%
16	Zydus Healthcare Philippines Inc.	12-Jul-13	December 31, 2021	PHP	1.48	385.10	79.90	781.92	316.91	-	876.34	28.57	5.67	22.90	-	100.00%
17	Zydus International Private Limited	30-Apr-98	December 31, 2021	Euro	84.56	5,930.97	(527.84)	16,141.33	10,738.20	-	148.11	238.53	-	238.53	-	100.00%

STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES/ ASSOCIATES/ JOINT VENTURES

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014]

Sr. No.	Name of the Subsidiary	Date of incorporation/ acquisition	Reporting year ended	Reporting Currency	Exchange Rate	₹ - Million										% of share-holding
						Share Capital	Reserves	Total Assets	Total Liabilities	Investments other than investments in subsidiaries	Turnover & Other income from Operations *	Profit/ [Loss] before Taxation *	Provision for Taxation *	Profit/ [Loss] after taxation *	Proposed Dividend	
18	Zydus Netherlands B.V.	18-Jan-07	December 31, 2021	Euro	84.56	8,206.81	(777.47)	7,653.09	223.75	-	-	(9.94)	-	(9.94)	-	100.00%
19	Zydus France, SAS	01-Oct-03	December 31, 2021	Euro	84.56	657.58	(394.87)	1,068.65	805.94	-	1,516.36	(85.29)	-	(85.29)	-	100.00%
20	Laboratorios Comib S.L.	23-Jul-08	December 31, 2021	Euro	84.56	632.70	(351.27)	902.62	621.19	-	1,093.13	1.24	0.29	0.95	-	100.00%
21	Etma Biotech S.R.L.	26-Nov-08	December 31, 2021	Euro	84.56	7.61	(67.31)	192.96	252.69	-	-	(24.15)	-	(24.15)	-	100.00%
22	Viona Pharmaceuticals (USA) Inc.	11-May-18	December 31, 2021	USD	74.36	3718	(67.45)	784.16	814.43	-	1,121.68	29.63	13.92	15.71	-	100.00%
23	Zydus Pharmaceuticals (USA) Inc. (\$)	18-Nov-03	March 31, 2022	USD	75.82	227.46	4,172.07	47,252.77	42,853.24	-	53,825.88	(1,700.16)	(341.28)	(1,358.88)	-	100.00%
24	Zydus Healthcare (USA) LLC	18-Nov-03	December 31, 2021	USD	74.36	14.87	20.69	226.46	190.90	-	2.69	2.94	1.34	1.60	-	100.00%
25	Sentynl Therapeutics, Inc.	19-Jan-17	March 31, 2022	USD	75.82	2,275.36	782.01	9,730.06	6,672.69	-	575.14	(1,532.54)	(278.56)	(1,253.98)	-	100.00%
26	Zydus Novelttech Inc.	18-Jun-07	December 31, 2021	USD	74.36	3,643.64	(3,554.07)	262.93	173.35	-	-	(3,140.40)	0.08	(3,140.47)	-	100.00%
27	Heron Pharmaceuticals LLC	01-Jun-12	December 31, 2021	USD	74.36	3,391.38	(3,122.77)	313.50	44.90	-	22.26	(606.16)	0.06	(606.22)	-	100.00%
28	Zydus Worldwide DMCC	21-Apr-14	March 31, 2022	USD	75.82	1,744.88	(8,486.11)	20,254.20	26,995.43	-	3,094.25	(1,018.44)	-	(1,018.44)	-	100.00%
29	Zydus Wellness International DMCC	28-May-19	March 31, 2022	USD	75.82	5.16	71.27	173.73	97.29	-	542.04	30.03	-	30.03	-	57.59%
30	Zydus Healthcare S.A. (Pty) Ltd	27-Jul-98	December 31, 2021	ZAR	4.67	656.15	(22.65)	1,737.30	1,103.79	-	1,778.61	51.27	14.36	36.90	-	100.00%
31	Simayla Pharmaceuticals (Pty) Ltd	02-Jul-08	December 31, 2021	ZAR	4.67	0.00	(472.06)	-	472.06	-	-	(0.02)	-	(0.02)	-	100.00%
32	Script Management Services (Pty) Ltd	14-Oct-09	December 31, 2021	ZAR	4.67	0.00	3.07	15.31	12.24	-	342.77	0.18	0.05	0.13	-	100.00%
33	Zydus Nikkho Farmaceutica Ltda.	19-Jul-07	December 31, 2021	BRL	13.37	2,997.84	(1,689.29)	2,339.68	1,031.14	-	2,392.28	(228.48)	17.61	(246.09)	-	100.00%
34	Alidac Healthcare (Myanmar) Limited	17-Jun-16	September 30, 2021	MMK	0.04	1,751.23	(699.87)	1,242.58	191.22	-	343.63	(103.87)	-	(103.87)	-	100.00%
35	Zydus Pharmaceuticals Mexico SA De CV	25-Aug-10	December 31, 2021	MXN	3.65	618.00	(886.26)	461.47	729.74	-	845.85	(0.53)	-	(0.53)	-	100.00%

STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES/ ASSOCIATES/ JOINT VENTURES

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014]

Sr. No.	Name of the Subsidiary	Date of incorporation/ acquisition	Reporting year ended	Reporting Currency	Exchange Rate	₹ - Million										% of share-holding
						Share Capital	Reserves	Total Assets	Total Liabilities	Investments other than investments in subsidiaries	Turnover & Other income from Operations *	Profit/ (Loss) before Taxation *	Provision for Taxation *	Profit/ (Loss) after taxation *	Proposed Dividend	
36	Zydus Pharmaceuticals Mexico Services Company SA De C.V.	09-Sep-10	December 31, 2021	MXN	3.65	20.44	(23.73)	5.40	8.69	-	83.65	3.30	2.39	0.91	-	100.00%
37	Zydus Therapeutics Inc. [USA] [Note-1]	18-Feb-21	December 31, 2021	USD	74.36	25,244.83	(24,818.02)	1,261.33	1,033.02	-	-	(913.28)	-	(913.28)	-	100.00%
38	Zydus Wellness BD Pvt Ltd (Bangladesh) (#)	18-Nov-21	March 31, 2022	BDT	0.88	0.88	(117)	0.63	0.93	-	-	(116)	-	(116)	-	57.59%

Notes:

1 Zydus Discovery DMCC is merged with Zydus Therapeutics Inc., USA w.e.f. July 01, 2021.

* Converted using average exchange rates prevailing during the year.

(#) Subsidiaries are yet to commence commercial operations.

(\$) Consolidated accounts of Zydus Pharmaceuticals (USA) Inc. including Neshor Pharmaceuticals (USA) LLC and ZyVet Animal Health Inc.

For and on behalf of the Board

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995

Pankaj R. Patel
Chairman
DIN: 00131852
Ahmedabad
May 20, 2022

STATEMENT PURSUANT TO SECTION 129[3] OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES

Part: "B" - Joint Ventures:

Sr. No.	Name of the Joint Venture	Date of incorporation/ acquisition	Latest Audited Balance Sheet Date	Shares held by the Company		Description of how there is significant influence	Reason why the Joint Venture is not consolidated	Net worth attributable to Shareholding as per latest audited balance sheet [₹ -Million]	Profit for the year	
				No. of Shares	Amount invested [₹ -Million]				Extent of holding [%]	Considered in consolidation [₹ -Million]
1	Zydus Hospira Oncology Private Limited	13-Jun-05	March 31, 2021	7,500,000	75	50.00%	N.A.	1,814 *	117 *	-
2	Zydus Takeda Healthcare Private Limited	30-Mar-99	March 31, 2021	10,000,000	100	50.00%	N.A.	1,586 *	380 *	-
3	Bayer Zydus Pharma Private Limited	07-Feb-11	March 31, 2022	12,499,999	125	24.9999998%	N.A.	343	(35)	-

* Based on unaudited financial statements for the year ended March 31, 2022.

For and on behalf of the Board

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995

Pankaj R. Patel
Chairman
DIN: 00131852
Ahmedabad
May 20, 2022

ZYDUS LIFESCIENCES LIMITED

(Formerly known as Cadila Healthcare Limited)

CIN: L24230GJ1995PLC025878

Regd. Office: "Zydus Corporate Park", Scheme No. 63, Survey No. 536,

Near Vaishnodevi Circle, Khoraj (Gandhinagar), Sarkhej-Gandhinagar Highway, Ahmedabad-382481

E-mail: dhavalsoni@zyduslife.com • Website: www.zyduslife.com • Phone Number: +91 79 48040000, +91 79 71800000

Notice

Notice is hereby given that the Twenty Seventh Annual General Meeting ("AGM") of the members of Zydus Lifesciences Limited ("the Company") will be held on Wednesday, August 10, 2022 at 10.00 a.m. (IST) through Video Conference ("VC") / Other Audio Visual Means ("OAVM"). The venue of the AGM shall be deemed to be the Registered Office of the Company. The following businesses will be transacted at the AGM:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the Financial Year ended on March 31, 2022 and the reports of the Board of Directors and the Auditors thereon.
2. To receive, consider and adopt the Consolidated Audited Financial Statements of the Company for the Financial Year ended on March 31, 2022 and the report of the Auditors thereon.
3. To declare dividend of ₹ 2.50/- (250%) per equity share of Re. 1/- each for the Financial Year ended on March 31, 2022.
4. To re-appoint Mr. Pankaj R. Patel (DIN-00131852), who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint Mr. Mukesh M. Patel (DIN-00053892), who retires by rotation and being eligible, offers himself for re-appointment.
6. **To re-appoint Statutory Auditors:**

To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and pursuant to the recommendations of the Audit Committee and Board of Directors of the Company, Deloitte Haskins & Sells LLP, Chartered Accountants, ICAI Firm Registration No. 117366W/

W-100018, be and are hereby re-appointed as the Statutory Auditors of the Company, for the second term of 5 (five) consecutive years, who shall hold office from conclusion of Twenty Seventh Annual General Meeting till conclusion of Thirty Second Annual General Meeting to be held in the year 2027 on such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take such steps as may be necessary to give effect to this resolution."

SPECIAL BUSINESS:

7. **To ratify remuneration of the Cost Auditors:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the Company hereby ratifies the remuneration of ₹ 1.32 mio. (Rupees One Million Three Hundred Twenty Thousands only) plus applicable Goods and Services Tax and out of pocket expenses at actuals for the Financial Year ending on March 31, 2023 to Dalwadi & Associates, Cost Accountants (Firm Registration No. 000338), who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company pertaining to Drugs and Pharmaceuticals manufactured by the Company for the Financial Year ending on March 31, 2023.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take such steps as may be necessary to give effect to this resolution."

By order of the Board of Directors

Dhaval N. Soni

Company Secretary
Membership No. F7063

Place : Ahmedabad
Date : May 20, 2022

NOTES:

1. The Explanatory Statement pursuant to the provisions of section 102 of the Companies Act, 2013 ("the **Act**"), in respect of the businesses under Item Nos. 6 and 7 of the Notice is annexed hereto. The Board of Directors ("the **Board**") have considered and decided to include Item Nos. 6 and 7 given above in the Twenty Seventh Annual General Meeting ("**AGM**"), as they are unavoidable in nature.
2. The final dividend on equity shares, if declared at the AGM, will be paid electronically / dispatched through post on or around Tuesday, August 16, 2022 (5th day being August 15, 2022, which is a public holiday) to those members whose names appear on the Company's Register of Members or List of Beneficial Owners as received from the National Securities Depository Limited or Central Depository Services (India) Limited (collectively referred to as "the **Depositories**") on Friday, July 29, 2022 i.e. the Record Date fixed for this purpose.
3. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("**MCA**") vide its circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021 and May 5, 2022 ("**MCA Circulars for General Meetings**") and SEBI vide its circulars dated May 12, 2020, January 15, 2021 and May 13, 2022 ("**SEBI Circulars for General Meetings**"), permitted the holding of the General Meetings through VC / OAVM, without the physical presence of the members at a common venue. In compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the **Listing Regulations**"), MCA Circulars for General Meetings and SEBI Circulars for General Meetings, the AGM of the Company is being held through VC / OAVM.

As the AGM is being held pursuant to the MCA Circulars for General Meetings and the SEBI Circulars for General Meetings through VC / OAVM, the facility to appoint proxy will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, a Body Corporate is entitled to appoint authorised representative to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-voting.

As the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.

4. Institutional / Corporate members (i.e. other than individual / HUF, NRI etc.) are required to send a scanned copy (PDF / JPG format) of its Board or governing body Resolution / Authorization etc. authorizing the representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting.

The said Resolution / Authorization shall be sent to Mr. Manoj Hurkat, the Scrutinizer appointed by the Company, by e-mail on his registered e-mail address to manojhurkat@hotmail.com with a copy marked to helpdesk.evoting@cDSLindia.com.

5. Members may note that the Board at their meeting held on May 20, 2022 has recommended a dividend of ₹ 2.50/- (i.e. 250%) per equity share of ₹ 1/- each. The members holding shares as on Friday, July 29, 2022, will be entitled to receive the dividend declared, if any, for the Financial Year ended on March 31, 2022, by the members at the AGM, (i) as per the list of Beneficial Owners provided by the Depositories in respect of shares held in demat mode and (ii) as per the Register of Members of the Company after giving effect to valid transmission / transposition in physical form lodged with Link Intime India Private Limited, the Registrar and Transfer Agent of the Company ("the **RTA**") on or before the aforesaid date i.e. Friday, July 29, 2022. The transmission / transposition request complete in all respects should reach the RTA well before the above date. The dividend, once approved by the members in the AGM, will be paid around 5th day from the date of AGM i.e. Tuesday, August 16, 2022 (5th day being August 15, 2022, which is a public holiday), electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, demand drafts / cheques will be sent to their registered addresses as per the permitted mode. To avoid delay in receiving the dividend, members are requested to update their Know Your Client ("**KYC**") with their Depository Participant ("**DP**") (where shares are held in demat mode) and with the RTA (where shares are held in physical mode) to receive the dividend directly into their bank account on the pay-out date.
6. Those members who have not encashed their dividend warrants / cheques pertaining to the following financial years are requested to approach the Company for the payment thereof as the same will be transferred to the Investor Education and Protection Fund ("**IEPF**") on the respective dates mentioned there against, pursuant to provisions of section 125 of the Act and the Rules made thereunder. Members are requested to note that after such date, they may apply for refund of any unclaimed dividend which has been transferred to IEPF, under sub-section (4) of section 125 or under proviso to sub-section (3) of section 125, as the case may be, to the IEPF authority by making an online application in the prescribed Form No. IEPF-5 available on website www.iepf.gov.in along with the prescribed documents and fees as may be decided by the IEPF authority.

Financial Year ended	Date of declaration of dividend	Dividend payment %	Expected date of transfer of unpaid dividend to IEPF Account
March 31, 2015	August 12, 2015	240%	September 18, 2022
March 31, 2016	March 8, 2016	320% ^e	April 14, 2023
March 31, 2017	March 7, 2017	320% ^e	April 13, 2024
March 31, 2018	August 13, 2018	350%	September 19, 2025
March 31, 2019	August 9, 2019	350%	September 15, 2026
March 31, 2020	March 16, 2020	350% ^e	April 22, 2027
March 31, 2021	August 11, 2021	350%	September 17, 2028

@ Interim dividend

In compliance with the provisions of section 124(6) of the Act read with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 dated September 5, 2016 and as amended from time to time, during the Financial Year ended on March 31, 2022, the Company has transferred 1,49,321 (One Lakh Forty Nine Thousand Three Hundred Twenty One) Equity Shares of ₹ 1/- each of 163 (One Hundred Sixty Three) members whose dividend remained unclaimed or unpaid for a consecutive period of 7 (seven) years or more to IEPF authority constituted by the MCA.

Any member who wishes to claim their shares or unclaimed dividend may apply to the IEPF authority by making an online application in the prescribed Form No. IEPF-5 available on website www.iepf.gov.in along with the prescribed documents and fees.

Pursuant to The IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the information in respect of the unclaimed dividends as on March 31, 2021 on its website, the link of which is https://www.zydustrife.com/public/pdf/financial/Statement_of_Unclaimed_Dividend_account_March_31_2021.pdf and on the website of IEPF-www.iepf.gov.in.

- Members holding shares in physical mode are requested to intimate the RTA at 5th Floor, 506 to 508, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off. C. G. Road, Navrangpura, Ahmedabad-380006, changes, if any, in their names, registered address along with pin code number, e-mail address, telephone / mobile number, Permanent Account Number ("PAN"), mandates, nominations, power of attorneys, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc. and relevant evidences. Members holding shares in electronic mode shall update such details with their respective DP.

As per the provisions of section 72 of the Act, the facility of making nomination is available for the members in respect of the shares held by them. Members who

have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to the DP in case the shares are held by them in electronic mode and to the Company / RTA, in case the shares are held in physical mode.

Members holding shares in physical mode, in identical order of names, in more than 1 (one) folios are requested to send to the Company / RTA, the details of such folios together with the share certificates for consolidating their holdings in 1 (one) folio. A consolidated share certificate will be issued to such members after making requisite changes.

In case of joint holders, the members whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

- The information of the Directors seeking re-appointment at the AGM is provided at **Annexure-A** to the Notice as prescribed under regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.
- In compliance with the MCA Circulars for General Meetings and the SEBI Circulars for General Meetings, Notice of the AGM of the Company, inter-alia, indicating the process and manner of e-voting and the Annual Report 2021-2022 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company / RTA / DP.
- In order to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical mode are requested to demat their holdings at the earliest.
- Mandatory furnishing of KYC details and nominations by holders of physical securities:**

SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 has prescribed certain mandatory provisions with regard

to "Common and Simplified Norms for processing investor's request by RTAs and norms for furnishing PAN, KYC details and Nomination", where the shares are held in physical mode. Said SEBI circular prescribes following norms, in case the shares are held in physical mode:

- i. Common and simplified norms for processing any service request from the holder, pertaining to the captioned items, by the RTAs.
- ii. Electronic interface for processing investor's queries, complaints and service request.
- iii. Mandatory furnishing of PAN, KYC details and Nomination by holders of physical securities.
- iv. Freezing of folios without valid PAN, KYC details and Nomination and
- v. Compulsory linking of PAN and Aadhaar by all holders of physical securities.

Members of the Company holding shares in physical mode shall provide the following documents / details to the RTA of the Company:

- i. PAN.
- ii. Nomination (for all eligible folios) in Form No. SH-13 or submit declaration to "Opt-Out" in Form No. ISR-3. **Note:** Any cancellation or change in nomination shall be provided in Form No. SH-14.
- iii. Contact details including postal address with pin code, mobile number, e-mail address.
- iv. Bank account details including bank name and branch, bank account number, IFSC.
- v. Specimen signature.

Please provide the above documents / details to the RTA of the Company along with other basic details like name of the member, folio number, certificate number and distinctive numbers.

As per the said SEBI circular, the Company has uploaded the following documents (along with the SEBI circular) on the website of the Company:

- i. Form No. ISR-1-request for registering PAN, KYC details or changes / updation thereof.
- ii. Form No. ISR-2-confirmation of signature of securities holder by the Banker.
- iii. Form No. ISR-3-declaration form for opting-out of nomination by holders of physical securities in listed companies.
- iv. Form No. SH-13-nomination form.
- v. Form No. SH-14-cancellation or variation of nomination.

Further, the contact details of the Company and RTA are also available on the website of the Company.

The link to view the said SEBI circular along with the various forms is available at <https://www.zyduslife.com/shareholderservices#1>.

12. Issue of shares in demat mode only:

SEBI vide its notification dated January 24, 2022 amended certain provisions of the Listing Regulations, inter-alia, pertaining to issue of shares in demat mode only. Further, SEBI vide its circular No. SEBI/HO/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 issued operational guidelines for demat of securities received for processing investor's service request.

Dematerialization would facilitate paperless trading through state-of-the-art technology, quick transfer of corporate benefits to members and avoid inherent problems of bad deliveries, loss in postal transit, theft and mutilation of share certificate. It also substantially reduce the risk of fraud. Therefore, we request all those members who have still not dematerialized their shares to get their shares dematerialized at the earliest.

For more details, please visit our website at <https://www.zyduslife.com/shareholderservices#1>.

- 13.** SEBI vide its circular dated April 20, 2018 directed all the listed companies to record the Income Tax PAN and bank account details of all their members holding shares in physical mode. All those members who are yet to update their details with the Company are requested to do so at the earliest. This will help the members to receive the dividend declared by the Company, directly in their respective bank accounts.

14. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically.

The e-mail address can be registered with the DP in case the shares are held in electronic mode and with the RTA in case the shares are held in physical mode.

Members may also note that the Notice of the AGM and the Annual Report 2021-2022 are uploaded and available on the website of the Company, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited and Central Depository Services (India) Limited ("CDSL") at www.zyduslife.com, www.bseindia.com, www.nseindia.com and www.evotingindia.com respectively. The copies of the documents will also be available for electronic inspection during normal business hours on working days from the date of circulation of the Notice upto the date of AGM. For any communication, members may also send requests to the Company's investor e-mail id investor.grievance@zyduslife.com or dhavalsoni@zyduslife.com.

The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested are available for inspection by the members electronically during the AGM.

15. Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of dividend.

The Company will send an e-mail which will contain the details of tax rates for various categories of members (Resident Indian, Non-Resident Indian, FIIs, FPIs, etc.), the link to download various blank forms and separate link and e-mail id to upload the signed forms and various documents by the members to enable the Company to determine the appropriate TDS / withholding tax rate applicable.

For the information of the members, it is hereby clarified that **no tax will be deducted on payment of dividend to the resident individual members if the total dividend to be paid during a financial year does not exceed ₹ 5,000/-**, or if an eligible resident member has provided a valid declaration in Form 15G / Form 15H or other documents as may be applicable to different categories of members. The rate of TDS will vary depending on the residential status of the member and documents registered with the Company.

The Company will issue soft copy of the TDS certificate to its members through e-mail registered with the Company / RTA post payment of the dividend. Members will be able to download the TDS details from the Income Tax Department's website <https://incometax.gov.in> (refer Form 26AS).

In case TDS is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, an option is still available with the member to file the return of income and claim an appropriate refund. No claim shall lie against the Company for such taxes deducted.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the member/s, such member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any assessment / appellate proceedings before the Tax / Government Authorities.

This communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Members should consult their tax advisors for requisite action to be taken by them.

If you are a member of the Company as on Friday, July 29, 2022 and the dividend receivable by you is taxable under the IT Act, the Company shall be obligated to deduct tax at source on the dividend payable as per the applicable provisions under the IT Act.

Members holding shares in demat mode, are requested to update their records such as tax residential status, PAN and register their e-mail addresses, mobile numbers and other details with their relevant Depositories through their DPs and members holding shares in physical mode are requested to furnish details to the Company's RTA.

16. E-voting (voting through electronic means):

- i. The businesses as set out in the Notice may be transacted through electronic voting system. In compliance with the provisions of section 108 of the Act read with The Companies (Management and Administration) Rules, 2014, standard 8 of the Secretarial Standard on General Meetings, regulation 44 of the Listing Regulations and pursuant to the MCA Circulars for General Meetings and the SEBI Circulars for General Meetings, the Company is pleased to offer the facility of voting through electronic means, to all its members to enable them to cast their votes electronically. The Company has made necessary arrangements with CDSL to facilitate the members to cast their votes from a place other than venue of the AGM ("**remote e-voting**"). The facility for voting shall be made available during the AGM through electronic voting and the members participating in the AGM who have not cast their votes by remote e-voting shall be able to exercise their right during the AGM. The facility of casting votes by a member using remote e-voting as well as venue e-voting system on the date of the AGM will be provided by CDSL.

In terms of provisions of section 107 of the Act, as the Company is providing the facility of remote e-voting to the members, there shall be no voting by show of hands at the AGM.

- ii. In view of the massive outbreak of the COVID-19 pandemic, social distancing is still a norm to be followed and pursuant to the MCA Circulars for General Meetings and the SEBI Circulars for General Meetings, physical attendance of the members at the AGM venue is not required and AGM can be held through VC / OAVM.

- iii. The members can join the AGM through VC / OAVM mode 30 (thirty) minutes before the scheduled time of the AGM and within 15 (fifteen) minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1,000 members on first come first served basis. This will be in addition to large members (members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- iv. The attendance of the members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Act.
- v. A person whose name is recorded in the Register of Members / List of Beneficial Owners maintained by the Depositories as on Wednesday, August 3, 2022, being the cut-off date shall be entitled to avail the facility of remote e-voting or e-voting during the AGM. Persons who are not members as on the cut-off date, but have received this Notice, should treat receipt of this Notice for information purpose only.

The members who have cast their votes by remote e-voting prior to AGM may also attend the AGM, but shall not be entitled to cast their votes again.

The members whose names appear in the Register of Members / List of Beneficial Owners as on Wednesday, August 3, 2022 are entitled to vote on the resolutions set forth in the Notice. Eligible members who have acquired shares after sending the Notice electronically and holding shares as on the cut-off date may approach the Company for seeking assistance for issuance of the User Id and Password for exercising their right to vote by electronic means.

- vi. **Process for those members whose e-mail ids / mobile numbers are not registered with the Company / Depositories:**
 - I. Members holding shares in physical mode-please provide necessary details like Folio No., Name of member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN), Aadhaar (self-attested scanned copy of Aadhaar) by e-mail to **Company/RTA**.

- II. Members holding shares in demat mode-please update your e-mail id and mobile number with your respective DP.
- III. Individual members holding shares in demat mode-please update your e-mail id and mobile number with your respective DP which is mandatory for e-voting and joining the AGM through VC / OAVM through Depository.
- vii. **Instructions for members for remote voting, e-voting during AGM and joining the AGM through VC / OAVM are as under:**
 - I. **The remote e-voting period commences at 9:00 a.m. (IST) on Sunday, August 7, 2022 and ends at 5:00 p.m. (IST) on Tuesday, August 9, 2022.** During this period members of the Company, holding shares either in physical mode or in demat mode, as on the cut-off date i.e. Wednesday, August 3, 2022, may cast their votes by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter.
 - II. The members who have already voted prior to the AGM date would not be entitled to vote during the AGM.
 - III. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, under regulation 44 of the Listing Regulations, listed companies are required to provide remote e-voting facility to its members in respect of all members' resolutions.

Currently there are multiple e-voting service providers ("ESPs") providing e-voting facility to listed companies in India. This necessitates registration on various ESPs and maintenance of multiple user ids and passwords by the members.

In order to increase the efficiency of the voting process, pursuant to a public consultation, SEBI has decided to enable e-voting for all the demat account holders by way of a single login credential, through their demat accounts / websites of Depositories / DPs. Demat account holders would be able to cast their votes without having to register again with the ESPs, thereby, not only facilitating seamless authentication, but also enhancing ease and convenience of participating in e-voting process.

IV. In view of the aforesaid SEBI Circular dated December 9, 2020, individual members holding shares in demat mode are allowed to vote through their demat account maintained with Depositories and DPs. **Members are advised to update their mobile number and e-mail id in their demat accounts in order to access e-voting facility.** Pursuant to the aforesaid SEBI Circular dated December 9, 2020, login method for e-voting and joining virtual meetings for individual members holding shares in demat mode is given below:

Type of members	Login methods
Individual member holding shares in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. After successful login, the Easi / Easiest user will be able to see the e-voting menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-voting service provider i.e. CDSL / NSDL / Karvy / Link Intime as per information provided by Issuer / Company. Additionally, we are providing links to ESPs, so that the user can visit the ESPs' site directly. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN from a link on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile number & e-mail id as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-voting is in progress during or before the AGM.
Individual member holding shares in demat mode with NSDL	<ol style="list-style-type: none"> If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.

Type of members	Login methods
Individual member (holding shares in demat mode) login through their DPs	You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider's website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.

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

Helpdesk for individual members holding securities in demat mode for any technical issues related to login through Depositories:

Login type	Helpdesk numbers
Individual members holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542-43.
Individual members holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

V. Login method for e-voting and joining AGM through VC / OAVM for **members other than individual members holding shares in demat and physical mode** is as under:

1. The members should login on to the remote e-voting website www.evotingindia.com.
2. Click on Shareholders.
3. Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 digits Client ID,
 - c. Members holding shares in physical mode should enter Folio Number registered with the Company

Or

Alternatively, if you are registered for CDSL's **Easi/Easiest** e-services, you can log-in at <https://www.cdslindia.com> from login myeasi using your login credentials. Once you successfully login to CDSL's **Easi/Easiest** e-services, click on e-voting option and proceed directly to cast your vote electronically.

4. Next enter the Image Verification as displayed and click on Login.
5. If you are holding shares in demat mode and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
6. If you are a first time user follow the steps given below:

	For members holding shares in demat mode other than individual members and physical mode
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both, members holding shares in demat mode and members holding shares in physical mode).
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank details or Date of Birth (DOB) (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (5).

7. After entering these details appropriately, click on "SUBMIT" tab.



8. Members holding shares in physical mode will then directly reach the Company selection screen. However, members holding shares in demat mode will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting on resolutions of any other company in which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
9. For members holding shares in physical mode, the details can be used only for e-voting on the resolutions contained in the Notice.
10. Click on the EVSN for ZYDUS LIFESCIENCES LIMITED on which you choose to vote.
11. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent (agree) to the Resolution and option NO implies that you dissent (disagree) to the Resolution.
12. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
13. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
14. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take a print of the vote cast by clicking on "Click here to print" option on the Voting page.
16. If demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
17. Members can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while remote e-voting on your mobile.
18. Note for Non-Individual members and Custodians:
 - Non-Individual members (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance Users would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney ("POA") which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non-Individual members are required to send the relevant Board Resolution / Authority Letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the scrutinizer and to the Company, if they have voted from individual tab and not uploaded the same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM and e-voting from the e-voting system, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an e-mail to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, CDSL, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400013 or send an e-mail to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

A member can opt for only one mode of voting i.e. either through remote e-voting or during the AGM. If a member casts votes by both modes, then voting done through remote e-voting shall prevail.

The Company has appointed Mr. Manoj Hurkat, Practicing Company Secretary (Membership No. 4287), to act as the Scrutinizer for conducting the e-voting and remote e-voting process in a fair and transparent manner.

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The result of the voting on the resolutions at the AGM shall be announced by

the Chairman or any other person authorised by him immediately after the results are declared.

The results declared along with the Scrutinizer's Report, will be posted on the website of the Company www.zyduslife.com and on the website of CDSL www.cdslindia.com and will be displayed on the Notice Board of the Company at its registered office immediately after the declaration of the results by the Chairman or any other person authorised by him and communicated to the Stock Exchanges.

viii. **Instructions for members attending the AGM through VC / OAVM and e-voting during AGM are as under:**

- I. The procedure for attending the AGM and e-voting on the day of AGM is same as the instructions mentioned above for remote e-voting.
- II. The link for VC / OAVM to attend AGM will be available where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.
- III. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote during the AGM.
- IV. Members are encouraged to join the AGM through Laptops / IPads for better experience.
- V. Further, members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
- VI. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio / video loss due to fluctuation in their network. It is therefore recommended to use stable wi-fi or LAN connection to mitigate any kind of aforesaid glitches.

- VII. Members who would like to express their views / ask questions during the AGM may register themselves as a speaker by sending their request in advance at least **7 (seven) days prior to the AGM** mentioning their name, demat account number / folio number, e-mail id, mobile number at the Company's e-mail id. The members who do not wish to speak during the AGM but have queries may send their queries in advance **7 (seven) days prior to the AGM** mentioning their name, demat account number / folio number, e-mail id, mobile number at the Company's e-mail id. These queries will be replied to by the Company suitably by e-mail.
- VIII. Those members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM.
- IX. Only those members, who are present in the AGM through VC / OAVM facility and have not cast their votes on the resolution through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
- X. If any votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the AGM through VC / OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the AGM is available only to the members attending the AGM.

Request to the members:

Members desiring any relevant information on the Audited Financial Statements or any matter to be placed at the AGM are requested to write to the Company at least 7 (seven) days in advance of the date of AGM through e-mail on dhavalsoni@zyduslife.com. The same will be replied by the Company suitably.

ZYDUS LIFESCIENCES LIMITED

(Formerly known as Cadila Healthcare Limited)

CIN: L24230GJ1995PLC025878

Regd. Office: "Zydus Corporate Park", Scheme No. 63, Survey No. 536,

Near Vaishnodevi Circle, Khoraj (Gandhinagar), Sarkhej-Gandhinagar Highway, Ahmedabad-382481

E-mail: dhavalsoni@zyduslife.com • Website: www.zyduslife.com • Phone Number: +91 79 48040000, +91 79 71800000

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

The following statement sets out all material facts relating to the businesses under Item Nos. 6 and 7 of the accompanying Notice dated May 20, 2022 respectively.

ITEM NO. 6:

Deloitte Haskins & Sells LLP, Chartered Accountants ("Deloitte"), were appointed as Statutory Auditors of the Company at the Twenty Second Annual General Meeting held on August 11, 2017 for a period of 5 (five) years, up to the conclusion of Twenty Seventh Annual General Meeting. Deloitte are eligible for re-appointment for a further period of 5 (five) years. Deloitte have given their consent for their re-appointment as Statutory Auditors of the Company and have issued certificate confirming that their re-appointment, if made, will be within the limits prescribed under the provisions of section 139 of the Companies Act, 2013 ("the Act") and the rules made thereunder. Deloitte have confirmed that they are eligible for the proposed re-appointment under the Act, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder. Deloitte have reported their independence from the Company and its subsidiary according to the Code of Ethics issued by the Institute of Chartered Accountants of India and the ethical requirements relevant to audit. Based on the recommendations of the Audit Committee and the Board of Directors ("the Board"), it is hereby proposed to re-appoint Deloitte, having registration No. 117366W/W-100018, as the Statutory Auditors of the Company, for the second and final term of 5 (five) consecutive years, who shall hold office from the conclusion of this Twenty Seventh Annual General Meeting till the conclusion of the Thirty Second Annual General Meeting of the Company to be held in the year 2027. The Board has approved a remuneration of ₹ 10.40 mio. (Rupees Ten Million Four Hundred Thousand only) for conducting the audit for the Financial Year ended on March 31, 2022, excluding applicable taxes and reimbursement of out of pocket expenses on actuals. The remuneration proposed to be paid to the Statutory Auditors during their second and final term shall be commensurate with the services to be rendered by them during the said tenure. Based on the recommendation of Audit Committee, the Board has fixed a remuneration

of ₹ 11.28 mio. (Rupees Eleven Million Two Hundred Eighty Thousand only) for conducting the audit for the Financial Year ending on March 31, 2023 excluding applicable taxes and reimbursement of out of pocket expenses on actuals. The Board, in consultation with the Audit Committee, may alter and vary the terms and conditions of re-appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors. Deloitte Haskins & Sells, Mumbai has been converted to a Limited Liability Partnership ("LLP"), with the name Deloitte Haskins & Sells LLP w.e.f. November 20, 2013. Deloitte is registered with the Institute of Chartered Accountants of India (Registration No. 117366W/W-100018). Deloitte has around 4,000 professionals and staff. Deloitte has offices in Mumbai, Delhi, Kolkata, Chennai, Bangalore, Ahmedabad, Hyderabad, Coimbatore, Kochi, Pune, Jamshedpur and Goa. The registered office of Deloitte is One International Center, Tower 3, 27th to 32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai-400013, Maharashtra, India.

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

The Board recommends the resolution set out at Item No. 6 of the Notice for approval by the members by way of an Ordinary Resolution.

ITEM NO. 7:

In accordance with the provisions of section 148 of the Act and The Companies (Audit and Auditors) Rules, 2014 ("the Rules"), the Company is required to appoint a Cost Auditor to audit the cost records of the Company pertaining to Drugs and Pharmaceuticals manufactured by the Company.

On the recommendation of the Audit Committee, the Board had approved the appointment of Dalwadi & Associates, Cost Accountants (Firm Registration No. 000338) as the Cost Auditors of the Company to conduct audit of cost records of the Company for the Financial Year ending on March 31, 2023, at a remuneration of ₹ 1.32 mio. (Rupees One Million Three Hundred Twenty Thousand only) plus applicable taxes and out of pocket expenses at actuals.

Dalwadi & Associates, Cost Accountants have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. As per the provisions of section 148(3) of the Act, read with the Rules, the remuneration payable to the Cost Auditors shall be ratified by the members of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board recommends the passing of the resolution as an Ordinary Resolution as set out at Item No. 7 of the Notice.

By order of the Board of Directors

Dhaval N. Soni

Company Secretary
Membership No. F7063

Place : Ahmedabad
Date : May 20, 2022

Details of Directors seeking re-appointment at the Annual General Meeting
(Pursuant to the Listing Regulations)

Name of the Director	Mr. Pankaj R. Patel Non-Executive Non-Independent
DIN	00131852
Date of Birth	March 16, 1953
Age	69 years
Date of first appointment on the Board	May 15, 1995
Date of re-appointment by the members	August 27, 2020
Qualifications	M. Pharm.
Brief resume and nature of expertise in functional areas	<p>Mr. Pankaj R. Patel is the Chairman of Zydus Lifesciences Limited, an innovation-driven, global healthcare company with operations in more than 50 countries worldwide. A stalwart and a visionary, Mr. Patel combines both research and techno-commercial expertise. Mr. Patel has been nominated as a Member of the Mission Steering Group (MSG), the highest policy making and steering body constituted under National Health Mission (NHM) and of the Drug Technical Advisory Board by Ministry of Health & Family Welfare, Govt. of India, New Delhi. Mr. Patel is also on the Board of Invest India. Mr. Patel is also the Past President of the Federation of Indian Chamber of Commerce & Industry (FICCI).</p> <p>He is a Member of the Board of Governors of the Indian Institute of Management (IIM), Ahmedabad. He is also the Chairman of the Board of Governors and Society, IIM, Udaipur. Mr. Patel is currently on the Governing Board of The Ahmedabad University, CEPT and the Chairman of the School of Life Sciences - Ahmedabad University. He is also a Member of the Board of Management of the Narsee Monjee Institute of Management Studies and a Member on the Governing Board of the Gujarat Law Society, Nirma University and the Anant National University, Ahmedabad. He is also a Member on the Board of Management at The Indian Institute of Foreign Trade (IIFT).</p> <p>Mr. Patel is the Executive Chairman, Vice President and Trustee of the Gujarat Cancer Society and Chairman of the Gujarat Cancer and Research Institute, a Regional Cancer Centre and one of the largest cancer centres of India, reaching out to the needy and underprivileged cancer patients. He also officiates as the Chairman of the Deaf and Mute School, Ahmedabad.</p>
Relationship with other Directors and Key Managerial Personnel	Dr. Sharvil P. Patel, Managing Director is the son of Mr. Pankaj R. Patel.
Name of Companies (except foreign companies) in which Mr. Pankaj R. Patel holds Directorships and Memberships of Committees of the Board	<p>A. Directorships in listed companies:</p> <ol style="list-style-type: none"> 1. Zydus Lifesciences Limited 2. Torrent Power Limited 3. Bayer CropScience Limited <p>Mr. Pankaj R. Patel has not resigned as a director of any listed company in past 3 (three) years.</p>

Name of the Director	Mr. Pankaj R. Patel Non-Executive Non-Independent																																										
	<p>B. Directorships in other companies:</p> <ol style="list-style-type: none"> 1. Zydus Foundation 2. Nirma Limited 3. Pripan Investment Private Limited 4. Cadmach Machinery Company Private Limited 5. Zydus Hospitals and Healthcare Research Private Limited 6. Zydus Hospitals (Vadodra) Private Limited 7. Zydus Hospitals (Rajkot) Private Limited 8. MabS Biotech Private Limited 9. Cadila Laboratories Private Limited 10. Western Ahmedabad Effluent Conveyance Company Private Limited 11. Zydus Takeda Healthcare Private Limited 12. Bayer Zydus Pharma Private Limited 13. Invest India <p>C. Committee positions in companies:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #d3d3d3;"> <th style="text-align: center;">Sr. No.</th> <th style="text-align: center;">Name of the Company</th> <th style="text-align: center;">Name of the Committee</th> <th style="text-align: center;">Position</th> </tr> </thead> <tbody> <tr> <td rowspan="5" style="text-align: center; vertical-align: middle;">1.</td> <td rowspan="5" style="text-align: center; vertical-align: middle;">Zydus Lifesciences Limited</td> <td>Corporate Social Responsibility & ESG Committee*</td> <td style="text-align: center;">Chairman</td> </tr> <tr> <td>Stakeholders' / Investors' Relationship Committee</td> <td style="text-align: center;">Member</td> </tr> <tr> <td>Nomination and Remuneration Committee</td> <td style="text-align: center;">Member</td> </tr> <tr> <td>Risk Management Committee</td> <td style="text-align: center;">Chairman</td> </tr> <tr> <td>Share Transfer Committee</td> <td style="text-align: center;">Chairman</td> </tr> <tr> <td rowspan="2" style="text-align: center; vertical-align: middle;">2.</td> <td rowspan="2" style="text-align: center; vertical-align: middle;">Bayer CropScience Limited</td> <td>Finance and Administration Committee</td> <td style="text-align: center;">Chairman</td> </tr> <tr> <td>Corporate Social Responsibility Committee</td> <td style="text-align: center;">Member</td> </tr> <tr> <td rowspan="2" style="text-align: center; vertical-align: middle;">3.</td> <td rowspan="2" style="text-align: center; vertical-align: middle;">Torrent Power Limited</td> <td>Stakeholders' / Investors' Relationship Committee</td> <td style="text-align: center;">Chairman</td> </tr> <tr> <td>Nomination and Remuneration Committee</td> <td style="text-align: center;">Chairman</td> </tr> <tr> <td style="text-align: center;">4.</td> <td style="text-align: center;">Nirma Limited</td> <td>Corporate Social Responsibility Committee</td> <td style="text-align: center;">Member</td> </tr> <tr> <td style="text-align: center;">5.</td> <td style="text-align: center;">Pripan Investment Private limited</td> <td>Corporate Social Responsibility Committee</td> <td style="text-align: center;">Chairman</td> </tr> <tr> <td style="text-align: center;">6.</td> <td style="text-align: center;">Cadmach Machinery Company Private Limited</td> <td>Corporate Social Responsibility Committee</td> <td style="text-align: center;">Chairman</td> </tr> </tbody> </table>			Sr. No.	Name of the Company	Name of the Committee	Position	1.	Zydus Lifesciences Limited	Corporate Social Responsibility & ESG Committee*	Chairman	Stakeholders' / Investors' Relationship Committee	Member	Nomination and Remuneration Committee	Member	Risk Management Committee	Chairman	Share Transfer Committee	Chairman	2.	Bayer CropScience Limited	Finance and Administration Committee	Chairman	Corporate Social Responsibility Committee	Member	3.	Torrent Power Limited	Stakeholders' / Investors' Relationship Committee	Chairman	Nomination and Remuneration Committee	Chairman	4.	Nirma Limited	Corporate Social Responsibility Committee	Member	5.	Pripan Investment Private limited	Corporate Social Responsibility Committee	Chairman	6.	Cadmach Machinery Company Private Limited	Corporate Social Responsibility Committee	Chairman
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Number of shares held in the Company	76,64,71,434** (Seventy Six Crore Sixty Four Lakh Seventy One Thousand Four Hundred Thirty Four)																																										
Terms and conditions of re-appointment	<ul style="list-style-type: none"> • Liable to retire by rotation • Entitled to receive sitting fees for attending Board and Committee meetings 																																										
Total remuneration drawn in Financial Year ended on March 31, 2022	₹ 1.60 mio. (Rupees One Million Six Hundred Thousand only) towards sitting fees																																										
Attendance in Board, Committee and General meetings in Financial Year ended on March 31, 2022	Mr. Pankaj R. Patel has attended all the Board, Committee and General meetings held during the Financial Year ended on March 31, 2022																																										

* Board at its meeting held on May 20, 2022 changed the nomenclature of "Corporate Social Responsibility Committee" to "Corporate Social Responsibility & ESG Committee"

** Including shares held as Karta of HUFs and Trustee of Family Trusts

Name of the Director	Mr. Mukesh M. Patel Non-Executive Non-Independent
DIN	00053892
Date of Birth	January 22, 1954
Age	68 years
Date of first appointment on the Board	August 1, 1997
Date of re-appointment by the members	August 11, 2021
Qualifications	Law graduate
Brief resume and nature of expertise in functional areas	<p>Mukesh Patel is an eminent Advocate and International Tax Expert, enjoying 45 years experience as a Veteran in the legal profession, during which he has also been passionately committed to the causes of Teaching Law and promoting Tax Payer Education, both through the Print and Electronic Media.</p> <p>A prolific writer and speaker, his tally of over 4,500 Weekly Columns in English and Gujarati, close to 50 editions of his Book Titles and more than 500 TV Shows on Tax and Investment Planning, with leading Print and Electronic Media including the Times Group, Sandesh, CNBC and ET Now have come to be acknowledged as a unique and unprecedented record.</p> <p>He has actively pursued analysis of Union Budgets since 1977 and his studied and thought-provoking annual presentations on the same are eagerly awaited. He was appointed by the Government of India to serve as a Member on the Justice Easwar Committee for Simplification of the Income-tax Act, Rules and Procedures and as an Expert on the Six Member Task Force entrusted with the key assignment of drafting a New Income-Tax Law. He is a Director on the Board of a number of reputed Public Companies.</p> <p>As a Dynamic President of a number of institutions of eminence, among others, Mukesh has groomed and nurtured the Ahmedabad Management Association, Gujarat Chamber of Commerce & Industry, Indian Red Cross Society, Indo-Japan Friendship Association, All Gujarat Federation of Tax Consultants and Dehgam Education Society.</p> <p>Mukesh Patel enjoys the honour of having been conferred with several International Awards and Recognitions. Noteworthy among them are the highest Decoration from the Emperor of Japan – 'Order of the Rising Sun,' in recognition of his 5 decades of contributions for furthering Indo-Japanese Relations and the 'Friend of NRIs Award' from the International Forum of NRIs in appreciation of his championing several causes for the Non-Resident Indian Community.</p> <p>An Eloquent Motivational Speaker, Mukesh has also been awarded the coveted 'Hall of Fame Acclaim of the World Academy of Speakers.' Inspirational Reading and Creative Photography have been his spirited pursuits. Founder of 'Inspirations Unlimited,' his Motivational Books, Photo Quotes and Talks on several inspirational themes have come to be widely acclaimed.</p> <p>An ardent crusader of the Voluntary Blood Donation Movement, he is the Founder of India's First 'Centurion Blood Donors Club', himself having donated blood for 151 times!</p>
Relationship with other Directors and Key Managerial Personnel	None
Name of companies (except Foreign companies) in which Mr. Mukesh M. Patel holds Directorships and Memberships of Committees of the Board	<p>A. Directorships in listed companies:</p> <ol style="list-style-type: none"> Zydus Lifesciences Limited Johnson Controls-Hitachi Air Conditioning India Limited The Sandesh Limited <p>Mr. Mukesh M. Patel has not resigned in any listed company in the past 3 (three) years.</p>

Name of the Director	Mr. Mukesh M. Patel Non-Executive Non-Independent																																																								
	<p>B. Directorships in other companies:</p> <ol style="list-style-type: none"> 1. Desai Brothers Limited 2. Cliantha Research Limited 3. Jade Blue Lifestyle India Limited 4. Desai Foods Private Limited 5. Gulmohar Greens-Golf and Country Club Limited <p>C. Committee positions in companies:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;">Sr. No.</th> <th style="width: 35%;">Name of the Company</th> <th style="width: 40%;">Name of the Committee</th> <th style="width: 20%;">Position</th> </tr> </thead> <tbody> <tr> <td rowspan="5">1.</td> <td rowspan="5">Zydus Lifesciences Limited</td> <td>Audit Committee</td> <td>Member</td> </tr> <tr> <td>Stakeholders' / Investors' Relationship Committee</td> <td>Chairman</td> </tr> <tr> <td>Nomination and Remuneration Committee</td> <td>Member</td> </tr> <tr> <td>Risk Management Committee</td> <td>Member</td> </tr> <tr> <td>Share Transfer Committee</td> <td>Member</td> </tr> <tr> <td rowspan="3">2.</td> <td rowspan="3">Johnson Controls-Hitachi Air Conditioning India Limited</td> <td>Audit Committee</td> <td>Chairman</td> </tr> <tr> <td>Stakeholders' / Investors' Relationship Committee</td> <td>Chairman</td> </tr> <tr> <td>Nomination and Remuneration Committee</td> <td>Member</td> </tr> <tr> <td rowspan="4">3.</td> <td rowspan="4">The Sandesh Limited</td> <td>Audit Committee</td> <td>Chairman</td> </tr> <tr> <td>Stakeholders' / Investors' Relationship Committee</td> <td>Member</td> </tr> <tr> <td>Nomination and Remuneration Committee</td> <td>Member</td> </tr> <tr> <td>CSR Committee</td> <td>Member</td> </tr> <tr> <td rowspan="2">4.</td> <td rowspan="2">Desai Brothers Limited</td> <td>Audit Committee</td> <td>Chairman</td> </tr> <tr> <td>Nomination and Remuneration Committee</td> <td>Member</td> </tr> <tr> <td rowspan="3">5.</td> <td rowspan="3">Cliantha Research Limited</td> <td>Audit Committee</td> <td>Member</td> </tr> <tr> <td>Nomination and Remuneration Committee</td> <td>Member</td> </tr> <tr> <td>CSR Committee</td> <td>Chairman</td> </tr> <tr> <td rowspan="2">6.</td> <td rowspan="2">Jade Blue Lifestyle India Limited</td> <td>Audit Committee</td> <td>Member</td> </tr> <tr> <td>Nomination and Remuneration Committee</td> <td>Member</td> </tr> </tbody> </table>			Sr. No.	Name of the Company	Name of the Committee	Position	1.	Zydus Lifesciences Limited	Audit Committee	Member	Stakeholders' / Investors' Relationship Committee	Chairman	Nomination and Remuneration Committee	Member	Risk Management Committee	Member	Share Transfer Committee	Member	2.	Johnson Controls-Hitachi Air Conditioning India Limited	Audit Committee	Chairman	Stakeholders' / Investors' Relationship Committee	Chairman	Nomination and Remuneration Committee	Member	3.	The Sandesh Limited	Audit Committee	Chairman	Stakeholders' / Investors' Relationship Committee	Member	Nomination and Remuneration Committee	Member	CSR Committee	Member	4.	Desai Brothers Limited	Audit Committee	Chairman	Nomination and Remuneration Committee	Member	5.	Cliantha Research Limited	Audit Committee	Member	Nomination and Remuneration Committee	Member	CSR Committee	Chairman	6.	Jade Blue Lifestyle India Limited	Audit Committee	Member	Nomination and Remuneration Committee	Member
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Total remuneration drawn in Financial Year ended on March 31, 2022	₹ 1.70 mio. (Rupees One Million Seven Hundred Thousand only) towards sitting fees and ₹ 2.75 mio. (Rupees Two Million Seven Hundred Fifty Thousand only) towards commission, aggregating to ₹ 4.45 mio. (Rupees Four Million Four Hundred Fifty Thousand only)																																																								
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