



August 11, 2021

**The BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001

**The National Stock Exchange of India Limited**  
Exchange Plaza, Bandra-Kurla Complex,  
Bandra (E), Mumbai - 400 051

Scrip Code: 532531

Scrip Code: STAR

Dear Sirs,

**Sub: Notice of 30<sup>th</sup> Annual General Meeting and Annual Report for FY 2020-21**

This is to inform you that the 30<sup>th</sup> Annual General Meeting ('AGM') of the Company is scheduled to be held on **Friday, September 3, 2021 at 12:30 hrs IST** through Video Conference/ Other Audio-Visual Means.

As required under SEBI Listing Regulations, we are enclosing herewith Notice of the AGM and Annual Report for FY 2020-21 which is being sent through electronic mode to the Members of the Company.

A copy of the same is also available on the Company's website [www.strides.com](http://www.strides.com)

This is for your information and records.

Thanks & Regards,  
**For Strides Pharma Science Limited**

**Manjula Ramamurthy**  
Company Secretary



Encl: As above

**Strides Pharma Science Limited**

CIN: L24230MH1990PLC057062

Corp Off: Strides House, Bilekahalli, Bannerghatta Road, Bengaluru - 560 076, India | Tel: +91 80 6784 0000 Fax: +91 80 6784 0700  
Regd Off: 201, Devavrata, Sector 17, Vashi, Navi Mumbai – 400 703, India | Tel: +91 22 2789 2924 / 3199 Fax: +91 22 2789 2942

corpcomm@strides.com, www.strides.com



## STRIDES PHARMA SCIENCE LIMITED

CIN: L24230MH1990PLC057062

Regd. Office: 201, 'Devavrata', Sector – 17, Vashi, Navi Mumbai – 400 703

Tel No.: +91 22 2789 2924/ 2789 3199

Corp. Office: 'Strides House', Bilekahalli, Bannerghatta Road, Bengaluru – 560 076

Tel No.: +91 80 6784 0000/ 6784 0290

Website: www.strides.com; Email: investors@strides.com

### Invitation to attend the 30<sup>th</sup> Annual General Meeting of the Company on Friday, September 3, 2021

Dear Members,

You are cordially invited to attend the 30<sup>th</sup> Annual General Meeting (AGM) of the Company to be held on **Friday, September 3, 2021** at **12:30 hrs IST** through video conferencing. Notice convening the AGM is attached herewith.

For ease of reference, we are providing below key details regarding the meeting:

#	Particulars	Details
1.	Link for live webcast of the AGM and for participation through Video Conferencing (VC)	<a href="https://emeetings.kfintech.com/">https://emeetings.kfintech.com/</a>
2.	Link for remote e-voting	<a href="https://evoting.kfintech.com/">https://evoting.kfintech.com/</a>
3.	Helpline number for VC participation and e-voting	Contact Mr. Raju S.V/ Mr. Mohan Kumar A of KFin Technologies Private Limited at 1800 309 4001 (toll free).
4.	Cut-off date for e-voting	Friday, August 27, 2021
5.	Remote e-voting period	Starts from 09:00 hrs IST on Monday, August 30, 2021; and Ends on Thursday, September 2, 2021 at 17:00 hrs IST.
6.	Record Date for Dividend	Friday, August 6, 2021
7.	Registrar and Share Transfer Agent contact details	KFin Technologies Private Limited E-mail: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> ; and <a href="mailto:evoting@kfintech.com">evoting@kfintech.com</a> Toll Free No.: 1800 309 4001
8.	Scrutiniser for e-voting	Mr. Binoy Chacko (Membership No. FCS: 4792 and CP: 4221) Partner of M/s. Joseph and Chacko LLP, Company Secretaries, Bengaluru Email: <a href="mailto:binoy@jandc.in">binoy@jandc.in</a>
9.	Strides' contact details	Email: <a href="mailto:investors@strides.com">investors@strides.com</a> Tel No.: +91 80 6784 0000/ 6784 0290

Best Regards,  
For **Strides Pharma Science Limited**

Sd/-  
**Manjula Ramamurthy**  
Company Secretary

Date: May 27, 2021  
Place: Bengaluru

**STRIDES PHARMA SCIENCE LIMITED**

CIN: L24230MH1990PLC057062

Regd. Office: 201, 'Devavrata', Sector – 17, Vashi, Navi Mumbai – 400 703

Tel No.: +91 22 2789 2924/ 2789 3199

Corp. Office: 'Strides House', Bilekahalli, Bannerghatta Road, Bengaluru – 560 076

Tel No.: +91 80 6784 0000/ 6784 0290

Website: www.strides.com; Email: investors@strides.com

**NOTICE** is hereby given that the 30<sup>th</sup> Annual General Meeting (AGM) of the Members of the Company will be held on Friday, September 3, 2021 at 12:30 hrs IST through Video Conferencing/ Other Audio-Visual Means (VC/ OAVM) to transact the following business:

**ORDINARY BUSINESS****Item 1: Adoption of Audited Financial Statements for the Financial Year ended March 31, 2021**

To receive, consider, approve and adopt:

- a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2021 together with the Reports of Board of Directors and Auditors thereon; and
- b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021 and the Report of Auditors thereon.

**Item 2: Declaration of Dividend for the Financial Year ended March 31, 2021**

To declare a Dividend of ₹2.50/- per equity share of face value ₹10/- each for the Financial Year ended March 31, 2021.

**Item 3: Re-Appointment of Mr. Deepak Vaidya, retiring director, as a Non-Executive Director**

Mr. Deepak Vaidya retires by rotation and being eligible, offers himself for re-appointment as a Non-Executive Director of the Company.

The relevant details, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India is annexed to this Notice as **Annexure-A**.**SPECIAL BUSINESS****Item 4: Remuneration payable to M/s. Rao, Murthy & Associates, Cost Auditors of the Company for FY 2020-21**To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

“**RESOLVED** that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof), M/s. Rao, Murthy & Associates, Cost Accountants (Firm Registration No.: 000065), appointed as Cost Auditors by the Board of Directors to audit the cost records of the Company for FY 2020-2021, be paid a remuneration not exceeding ₹3.00 Lakhs (Rupees Three Lakhs only) plus applicable taxes and out-of-pocket expenses, if any.

**RESOLVED FURTHER** that any Director or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters, things and sign and file all such papers, documents, forms and writings as may be necessary and incidental to the aforesaid resolution.”

By Order of the Board of Directors  
For **Strides Pharma Science Limited**Date: May 27, 2021  
Place: BengaluruSd/-  
**Manjula Ramamurthy**  
Company Secretary

## NOTES

1. Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.

Board of Directors of the Company at its meeting held on May 27, 2021 considered that the special business under Item No. 4 being considered as unavoidable, to be transacted at the AGM of the Company.

2. In view of continuing COVID-19 pandemic, the Ministry of Corporate Affairs (MCA), Government of India, vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No.17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 02/2021 dated January 13, 2021 (collectively "MCA Circulars") and Securities Exchange Board of India (SEBI) vide its circular no. SEBI/ HO/ CFD/ CMD1/ CIR/ P/ 2020/ 79 dated May 12, 2020 and circular no. SEBI/ HO/ CFD/ CMD 2/ CIR/ P/ 2021/ 11 dated January 15, 2021 (collectively "SEBI Circulars"), have permitted companies to conduct AGM through video conferencing (VC) or other audio visual means (OAVM), subject to compliance of various conditions mentioned therein.
3. In compliance with the provisions of the Companies Act, 2013 (Act), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and MCA and SEBI Circulars, the 30<sup>th</sup> AGM of the Company is being held through VC/ OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only.

Deemed venue for the meeting shall be the Registered Office of the Company.

Company has appointed M/s. KFin Technologies Private Limited, Registrars and Transfer Agents (RTA) of the Company, to provide VC/ OAVM facility for the 30<sup>th</sup> AGM of the Company.

General instructions for accessing and participating in the AGM through VC/ OAVM Facility and voting through electronic means including remote e-voting is enclosed as **Annexure-B**.

### 5. AGM Live Webcast Facility

Pursuant to Regulation 44 of SEBI Listing Regulations and para 3 Clause A (III) of General Circular No. 14/2020 dated April 8, 2020 issued by MCA, Government of India, the Company has made arrangements for two-way live webcast of the proceedings of the 30<sup>th</sup> AGM.

The details of the webcast link shall be made available on the website of the Company at [www.strides.com](http://www.strides.com).

Facility for joining the AGM through VC/ OAVM will be open 30 minutes before the scheduled time for commencement of AGM and shall be closed 30 minutes after such scheduled time.

6. In compliance with the provisions of MCA and SEBI Circulars, Notice of the 30<sup>th</sup> AGM along with the Annual Report for FY 2020-21, are being sent only through electronic mode to those Members whose email ids are registered with the Company/ Depositories/ RTA.

Members may note that Notice of the 30<sup>th</sup> AGM and Annual Report for FY 2020-21 will also be available on the Company's website [www.strides.com](http://www.strides.com) and websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of KFin Technologies Private Limited at <https://evoting.kfintech.com>.

### 7. In view of AGM being held by VC/ OAVM

- i) physical attendance of Members has been dispensed with;
- ii) the facility for appointment of proxies by the Members will not be available for the AGM and hence Proxy Form and Attendance Slip are not annexed to this Notice;
- iii) Members attending the AGM through VC shall be counted for the purpose of reckoning quorum under Section 103 of the Act.
- iv) route map for the location of the meeting is also not provided.

### 8. E-voting

In compliance with the provisions of Section 108 of the Act read with Relevant Rules, Secretarial Standard on General Meetings (SS-2), Regulation 44 of the SEBI Listing Regulations and MCA Circulars, the facility for remote e-voting and e-voting in respect of the business to be transacted at the AGM is being provided by the Company through KFin Technologies Private Limited.

General instructions for accessing and participating in the AGM through Video Conference/ Other Audio-Visual Means (VC/ OAVM) Facility and voting through electronic means including remote e-voting is enclosed as **Annexure-B**.

### 9. Dividend for FY 2020-21

The Board of Directors have recommended a dividend of ₹2.50/- per equity share of ₹10/- each for financial year ended March 31, 2021, subject to approval of the Members at the AGM.

Record Date for entitlement of dividend is Friday, August 6, 2021. The said dividend will be paid within a period of 30 days from the date of declaration, 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 out to their registered addresses subject to availability of postal facility.

#### 10. Process for Updating bank account details are as under

##### i) Members holding shares in physical form

Send a request to RTA of the Company, KFin Technologies Private Limited at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) providing Folio No., Name of member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar card) for updating bank account details.

Following additional details need to be provided in case of updating bank account details:

- Name and branch of the bank in which you wish to receive the dividend;
- the bank account type;
- Bank account number allotted by their banks after implementation of core banking solutions;
- 9 digit MICR Code Number;
- 11 digit IFSC;
- Original cancelled cheque bearing the name of the first Member.

##### ii) Members holding shares in demat form

Please update your Electronic Bank Mandate through your Depository Participant/s.

#### 11. KYC Updation

To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible.

Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market.

Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA.

Non-Resident Indian Members are requested to inform RTA/ respective Depository participants, immediately of any:

- a) Change in their residential status on return to India for permanent settlement.
- b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

#### 12. KPRISM from KFinTech, RTA

Members are requested to note that, our Registrar and Share Transfer Agents (KFinTech/ RTA) have launched a mobile application - KPRISM and a website <https://kprism.kfintech.com/> for our investors. Now you can download the mobile app and see your portfolios serviced by KFinTech. Check Dividend status, request for annual reports, change of address, change / update Bank mandate and download standard forms. The android mobile application can be downloaded from Play Store by searching for "KPRISM".

#### 13. Transfer of Shares

In terms of the SEBI Listing Regulations, securities of listed companies can only be transferred in dematerialised form with effect from April 1, 2019. In view of the above, Members are advised to dematerialise shares held by them in physical form.

#### 14. Email Registration

Members who have not registered their email IDs with the Depository Participants, are requested to register their email IDs with their Depository Participants in respect of shares held in electronic form and in respect of shares held in physical form, are requested to submit their request with their valid e-mail IDs to RTA at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or [investors@strides.com](mailto:investors@strides.com) for receiving all the communications including annual report, notices, letters etc., in electronic mode from the Company.

**15. Unclaimed Dividends and Transfer of Dividend and Shares to Investor Education & Protection Fund (IEPF)**

In accordance with the provisions of Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 dividends not encashed/ claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority.

The IEPF Rules mandate companies to transfer shares of Members whose dividends remain unpaid/ unclaimed for a continuous period of seven years to the demat account of IEPF Authority. The Members whose dividend/ shares are transferred to the IEPF Authority can claim their shares/ dividend from the Authority.

In accordance with the IEPF Rules, Company had sent notices to all the Shareholders whose shares were due to be transferred to the IEPF Authority and simultaneously published newspaper advertisements.

In terms of the provisions of IEPF Rules, ₹ 3,90,42,007.31 of unpaid/ unclaimed dividends and 4,008 shares were transferred during the financial year 2020-21 to IEPF.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2020 on the Company's website.

**16. Inspection of Documents**

All documents referred to in the accompanying Notice of the AGM and the Explanatory Statement shall be available for inspection electronically.

In addition, following documents shall also be available for inspection electronically:

- Certificate from the Statutory Auditors relating to the Company's Stock Options under SEBI (Share Based Employee Benefits) Regulations, 2014.
- Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013.

Members seeking to inspect the above documents can send an email to [investors@strides.com](mailto:investors@strides.com).

**17. Scrutiniser for the AGM**

Mr. Binoy Chacko (Membership No. FCS: 4792 and CP: 4221), Partner of M/s. Joseph and Chacko LLP, Company Secretaries, Bengaluru, has been appointed as the Scrutiniser to scrutinise the remote e-voting process and e-voting at the AGM in a fair and transparent manner.

Scrutiniser shall submit his report to the Chairman or the Company Secretary of the Company after the completion of scrutiny.

Results of the Meeting along with Scrutiniser Report shall be declared by the Chairman or the Company Secretary of the Company within the timeline prescribed under the SEBI Listing Regulations and shall also be placed on the Company's website and on the website of KFinTech at <https://evoting.kfintech.com>

## EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all the material facts relating to the business mentioned under Item No. 4 of the accompanying Notice:

### **Item 4: Remuneration payable to M/s. Rao, Murthy & Associates, Cost Auditors of the Company for FY 2020-21**

Board of Directors of the Company, based on the recommendation of Audit Committee had approved the appointment of M/s. Rao, Murthy & Associates, Cost Accountants, (Firm Registration No.: 000065) as Cost Auditors of the Company for the FY 2020-21.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof) any remuneration payable to Cost Auditors has to be approved/ ratified by the Members of the Company.

Accordingly, Board recommends passing of the proposed resolution stated in Item 4 as an Ordinary Resolution and requests Members' approval for the same.

None of the Directors, Key Managerial Personnel, Promoters or their relatives are in any way concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding as Members.

By Order of the Board of Directors  
For **Strides Pharma Science Limited**

Date: May 27, 2021  
Place: Bengaluru

Sd/-  
**Manjula Ramamurthy**  
Company Secretary

## ANNEXURE-A

### Item 3: Re-Appointment of Mr. Deepak Vaidya, retiring director, as a Non-Executive Director

Relevant details pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, is as under:

Name of the Director	Mr. Deepak Vaidya
DIN	00337276
Age	76 years
Date of first appointment on the Board	January 16, 1998
Brief resume, Qualification(s), Experience and Nature of expertise in specific function	<p>Mr. Deepak Vaidya holds a Bachelor's Degree in Commerce from Bombay University and is also a fellow member of the Institute of Chartered Accountants, England &amp; Wales, UK.</p> <p>Mr. Vaidya has over 30 years of experience in the corporate financial services industry in India and abroad. He was the Country Head of Schroder Capital Partners (Asia) Ltd in India for 12 years.</p> <p>Mr. Vaidya is on the Board of various companies in Pharma and Service sectors. He also served as a member of International Markets Advisory Board of the NASDAQ Stock Market.</p> <p>Mr. Vaidya is associated with Strides since January 1998.</p>
Terms and conditions of Appointment or Reappointment	<p>Liable to retire by rotation.</p> <p>Members to note that, the Company had sought and received approval under Regulation 17(1A) of the SEBI Listing Regulations for continuation of directorship of Mr. Vaidya as a Non-Executive Director of the Company beyond the age of 75 years at the AGM held on July 30, 2019.</p>
Details of remuneration sought to be paid	<p>As a Non-Executive Director of Strides, Mr. Vaidya receives sitting fees of ₹100,000 each for attending Board and Audit Committee Meetings, which is at par with the sitting fees paid to other Non- Executive Directors of the Company.</p> <p>Mr. Vaidya is also eligible for annual commission paid to Non-Executive Directors, as may be approved by the Board of Directors of the Company.</p>
Details of remuneration last drawn	<p>Remuneration paid for the financial year ended March 31, 2021 is as under:</p> <ul style="list-style-type: none"> <li>• Sitting Fees Board and Audit Committee Meetings: ₹17 Lakhs</li> <li>• Commission: ₹10 Lakhs</li> </ul>
Shareholding in Strides as at the date of this notice	<p><b>Direct Shareholding</b> 182,000 Equity Shares representing 0.2029% of the paid-up equity share capital of the Company.</p> <p><b>Indirect shareholding</b> 144,592 Equity shares representing 0.1612% of the paid-up equity share capital of the Company.</p>
Relationship with other directors, Managers and Key Managerial Personnel of the Company	None
Number of Board & Committee Meetings attended during the FY 2020-21	<ul style="list-style-type: none"> <li>• Board Meetings: 9 out of 9</li> <li>• Committee Meetings: 17 out of 17</li> </ul>
Membership/ Chairmanship of the Committees of Strides	<ul style="list-style-type: none"> <li>• Stakeholders Relationship Committee – Chairperson</li> <li>• Audit Committee - Member</li> <li>• Nomination &amp; Remuneration Committee - Member</li> <li>• CSR Committee - Member</li> <li>• Risk Management Committee - Member</li> </ul>



**Details of other Directorships and Committee Memberships of Mr. Vaidya as at the date of this Notice is as under:**

#	Entities	Directorships		Committee Memberships			
		Listed Companies	Unlisted Companies	AC	NRC	SHRC	CSR
1	Indraprastha Medical Corporation Limited	✓	-	M	-	-	-
2	Solara Active Pharma Sciences Limited	✓	-	M	M	-	-
3	Spandana Spoorthy Financial Limited	✓	-	M	-	M	-
4	Suntec Business Solutions Private Limited	-	✓	C	-	-	-
5	Apollo Multispeciality Hospitals Limited (Formerly Apollo Gleneagles Hospital Limited)	-	✓	C	C	-	C
6	UTI Capital Private Limited	-	✓	C	-	-	-
7	Marudhar Hotels Private Limited	-	✓	-	-	-	-
8	Stelis Biopharma Private Limited	-	✓	-	M	-	-
9	Criss Financial Holdings Limited	-	✓	M	C	-	-
10	API Holdings Private Limited	-	✓	-	-	-	-

**AC:** Audit Committee | **NRC:** Nomination & Remuneration Committee | **SHRC:** Stakeholders' Relationship Committee

**CSR:** Corporate Social Responsibility Committee | **C:** Chairperson | **M:** Member

## ANNEXURE-B

### General instructions for accessing and participating in the AGM through Video Conference/ Other Audio-Visual Means (VC/ OAVM) Facility and voting through electronic means including remote e-Voting

#### I. PROCEDURE FOR REMOTE E-VOTING

1) In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI circular no. SEBI/ HO/ CFD/ CMD/ CIR/ P/ 2020/ 242 dated December 9, 2020 in relation to e-Voting Facility provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFin Technologies Private Limited (KFinTech), on all the resolutions set forth in this Notice.

Instructions for e-Voting is provided in Note 8.

- 2) Pursuant to SEBI circular no. SEBI/ HO/ CFD/ CMD/ CIR/ P/ 2020/ 242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the **individual demat account holders**, by way of single login credential, through their demat accounts/ websites of Depositories/ Depository Participants in order to increase the efficiency of the voting process.
- 3) Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their Depository Participants to access e-Voting facility.
- 4) Remote e-Voting period commences Monday, August 30, 2021 and ends on Thursday, September 2, 2021.
- 5) Voting rights of the Members shall be in proportion to their shares in the paid-up equity share capital of

the Company as on the cut-off date, Friday, August 27, 2021.

- 6) Any person **holding shares in physical form and non-individual shareholders**, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@kfintech.com](mailto:evoting@kfintech.com) or [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).

However, if he/ she is already registered with KFinTech for remote e-Voting then he/she can use his/ her existing User ID and password for casting the vote.

- 7) In case of **Individual Shareholders** holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "*Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.*"

- 8) The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

**Step 1:** Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

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

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

### 8.1) Details on Step 1 are mentioned below:

#### Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Individual Shareholders holding securities in demat mode with NSDL	Individual Shareholders holding securities in demat mode with CDSL
<p><b>1. Users already registered for IDeAS facility</b></p> <ul style="list-style-type: none"> <li>(i) Visit URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>(ii) Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section.</li> <li>(iii) On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting”</li> <li>(iv) Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</li> </ul> <p><b>2. Users not registered for IDeAS e-Services</b></p> <ul style="list-style-type: none"> <li>(i) To register click on link : <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>(ii) Select “Register Online for IDeAS” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>(iii) Proceed with completing the required fields.</li> <li>(iv) Follow steps given in point no. 1</li> </ul> <p><b>3. Users may alternatively vote by directly accessing the e-Voting website of NSDL</b></p> <ul style="list-style-type: none"> <li>(i) Open URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></li> <li>(ii) Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</li> <li>(iii) 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.</li> <li>(iv) Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e. KFintech.</li> <li>(v) On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.</li> </ul>	<p><b>1. Users who have opted for Easi / Easiest</b></p> <ul style="list-style-type: none"> <li>(i) Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>(ii) Click on New System Myeasi</li> <li>(iii) Login with your registered user id and password.</li> <li>(iv) The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal.</li> <li>(v) Click on e-Voting service provider name to cast your vote.</li> </ul> <p><b>2. Users not registered for Easi/Easiest</b></p> <ul style="list-style-type: none"> <li>(i) Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>(ii) Proceed with completing the required fields.</li> <li>(iii) Follow the steps given in point no. 1</li> </ul> <p><b>3. Users may alternatively vote, by directly accessing the e-Voting website of CDSL</b></p> <ul style="list-style-type: none"> <li>(i) Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>(ii) Provide your demat Account Number and PAN No.</li> <li>(iii) System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</li> <li>(iv) After successful authentication, user will be provided links for the respective ESP, i.e KFintech where the e- Voting is in progress.</li> </ul>

#### Individual Shareholders login through their demat accounts / Website of Depository Participant

- (i) Members may login using the login credentials of the demat account through their Depository Participants registered with NSDL /CDSL for e-Voting facility.
- (ii) Once logged-in, Members will be able to see e-Voting option.

On clicking e-Voting option, Members will be redirected to NSDL / CDSL Depository site after successful authentication, wherein Members can see e-Voting feature.

- (iii) Click on options available against company name or e-Voting service provider – KFintech and Members will be redirected to e-Voting website of KFintech for casting their vote during the remote e-Voting period without any further authentication.

### Important note

Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at above mentioned websites.

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

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

### 8.2) Details on Step 2 are mentioned below:

#### Login method for shareholders holding shares in physical form and non-individual shareholders in demat mode

- (A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:
- i) Launch internet browser by typing the URL: <https://evoting.kfintech.com/>
  - ii) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.
  - iii) After entering these details appropriately, click on "LOGIN".
  - iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - v) You need to login again with the new credentials.
  - vi) On successful login, the system will prompt you to select the "EVEN" i.e., "STRIDES PHARMA SCIENCE LIMITED - AGM" and click on "Submit"
  - vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
  - viii) Members holding multiple folios/ demat accounts shall choose the voting process separately for each folio/ demat accounts.
  - ix) Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
  - x) You may then cast your vote by selecting an appropriate option and click on "Submit".
  - xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - xii) Corporate/ Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting, together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at email id: [binoy@jandc.in](mailto:binoy@jandc.in) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com).
- The scanned image of the above-mentioned documents should be in the naming format "Corporate Name\_Even No."

- (B) Members whose email IDs are not registered with the Company/ Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
- i) Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with Kfintech, by accessing the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>
- Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
- ii) Alternatively, member may send an e-mail request at the email id [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
  - iii) After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.
- ii) Facility for joining AGM through VC/ OAVM shall open 30 minutes before the commencement of the Meeting.
  - iii) Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
  - iv) Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  - v) Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
  - vi) A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM.  
  
If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
  - vii) Facility of joining the AGM through VC / OAVM shall be available for at-least 2000 members on first come first served basis.
  - viii) However, the above restriction shall not be applicable to members holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel(s), the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinisers etc.
  - ix) Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

### 8.3) Details on Step 3 are mentioned below:

#### Instructions for attending the AGM of the Company through VC/ OAVM and e-Voting during the meeting.

- i) Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by Kfintech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/Kfintech.

After logging in, click on the Video Conference tab and select the EVEN of the Company.

Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.

## II OTHER INSTRUCTIONS

### 1) Speaker Registration

Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from Kfintech.

On successful login, select 'Speaker Registration' which will be open from August 30, 2021 upto September 1, 2021.

Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

## 2) Post your Question

Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>.

Please login through the user id and password provided in the mail received from Kfintech.

On successful login, select 'Post Your Question' option.

- 3) In case of any query and/ or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the 'Download' section of <https://evoting.kfintech.com> or may contact to Mr. Raju S.V, Dy. General Manager/ Mr. Mohan Kumar A, Manager of KFin Technologies Private Limited, Selenium Building, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032 or Email at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or [evoting@kfintech.com](mailto:evoting@kfintech.com) or call KFinTech's toll free No. 1-800-309-4001 for any further clarifications.
- 4) Only bonafide Members of the Company whose names appear on the Register of Members, will be permitted to attend the meeting through VC/ OAVM.

The Company reserves its right to take all necessary steps as may be deemed necessary to restrict non-members from attending the meeting.

- 5) Members whose names appear in the Register of Members/ list of Beneficial Owners as on Friday, August 27, 2021, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice.

In case of Joint Holders attending the AGM, only such Joint Holder who is named first in the order of names will be entitled to vote.

A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

Once the vote on a Resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

- 6) In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/ she may obtain the User ID and Password in the manner as mentioned below:

- i) If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL:

MYEPWD <SPACE> IN12345612345678

Example for CDSL:

MYEPWD <SPACE> 1402345612345678

Example for Physical:

MYEPWD <SPACE> XXXX1234567890

- ii) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

- iii) Members who may require any technical assistance or support before or during the AGM are requested to contact KFinTech at toll free number 1-800-309-4001 or write to them at [evoting@kfintech.com](mailto:evoting@kfintech.com).

- 7) Members are requested to apply for consolidation of folios, in case their holdings are maintained in multiple folios.

\*\*\*\*\*

ADAPT



PERFORM

GROW



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## Our performance FY 2020-21

### Financial

₹33,308 Million

Revenue  
⬆️ 29%

₹6,497 Million

EBITDA  
⬆️ 67%

19.5%

EBITDA margin  
⬆️ 450 bps

### Operational

21% ⬆️

Regulated markets

17% ⬆️

US business

28% ⬆️

Other regulated markets\*

73% ⬆️

Emerging markets

⬆️ y-o-y growth

\*EU, South Africa, Australia and UK

Note: Excludes Ranitidine sales of ₹1,756 Million, gross margins of ₹1,389 Million and EBIDTA of ₹1,389 Million in FY 2019-20



Adapt as fast as possible to new ways of working in a radically changed world.

➔ Read more on our leadership messages section on pages 10 to 15



Perform as best as we can and protect our global teams to enhance our operational resilience against the pandemic-induced challenges.

➔ Read more on our global presence and key performance indicators sections on pages 6 to 9



Grow sustainably through strengthened manufacturing scale, fortified product portfolio, consistent innovation, better technology ecosystem and higher quality and compliance.

➔ Read more on our strategy in progress section on pages 16 to 27

These were the three broad approaches with which we navigated an extraordinary FY 2020-21. Amid, a largely uncertain operating environment our strategies helped us deliver a decent performance across all our businesses. Our people were the real heroes of the year, and we are grateful to all our go-getters and their families for their dedication and commitment during the pandemic. We have taken several initiatives to support our workforce during these testing times and will continue to prioritise health over near-term profit as a conscientious corporate.

Over the years, we have built a well-diversified regulated markets business spanning multiple geographies and these

investments will hold us in good stead in the coming years. Our revenues in emerging markets are also growing at an encouraging pace.

We will continue to build our front-end presence in key geographies, having strategic partnerships and leveraging existing regulated markets portfolio. Concurrently, we will accelerate our R&D and filings momentum to enhance access to critical medicines for those in need.

**With a more focused approach and sharper execution, we will deliver strong revenue and profitability with superior cashflow and return ratios over the next three years.**



## About us

# Vision drives value at Strides

**Established in 1990, Strides is one of India's leading pharmaceutical companies with consumer-facing businesses across key regulated and emerging markets of the world.**

Our core strategy is to develop and market highly complex and difficult-to-develop generic formulations across several dosage formats. Our products are sold in 100+ countries globally.

Strides has become what it is today because of the dedication and innovative skills of our teams. We acknowledge the critical role

our people have played in the midst of the pandemic. With people-first philosophy, highest quality standards and integrity towards all stakeholders, we are progressing ahead.



### Vision

To be the leading Indian pharma multinational with a reputation for the highest quality and integrity



### Mission

With a differentiated B2C portfolio focussed on attaining leadership, we will provide an unparalleled growth opportunity for our people and value creation opportunity for our stakeholders



### Business verticals

#### Regulated markets

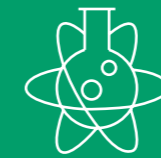
- Front-end presence across the US, EU, South Africa and UK
- Strategic supplier in Australia to the largest generic company Arrotex under a preferred supply agreement
- Seven dedicated facilities
- ~80% of the formulation revenues are driven by regulated markets

#### Emerging markets

- Front-end focussed markets of Africa with a portfolio of branded generics
- Catering to donor funded programmes from our facility in Africa
- One dedicated facility in Kenya



We have a track record of delivering over US\$2 Billion value to our stakeholders, including the payout of one of the single largest dividend by any pharmaceutical company in India.



# Business model

## Bolstering a strong foundation

We have all the strategic pivots in place to continue on our growth momentum and further elevate the value curve for all stakeholders, despite short-term headwinds.

### Core strengths



#### Financial capital

We are focused on creating sustainable value through efficient capital allocation.

**₹70,150 Million** Balance sheet size    **₹28,140 Million** Equity capital    **₹12,834 Million** Net debt

As on March 31, 2021



#### Manufacturing scale

We have world-class manufacturing assets located in India [Bengaluru (two), Puducherry, and Chennai], the US, Singapore, Italy and Kenya]. We are one of the largest soft gel capsule manufacturers globally. Our products are differentiated and sold in several countries globally.

**8** Manufacturing plants across four continents    **5** US FDA approved plants



#### Development of intellectual property

We are driven by our strong expertise in research and development. Our R&D capabilities in formulations, combined with knowledge of the regulatory environment have resulted in building a large portfolio for global market.

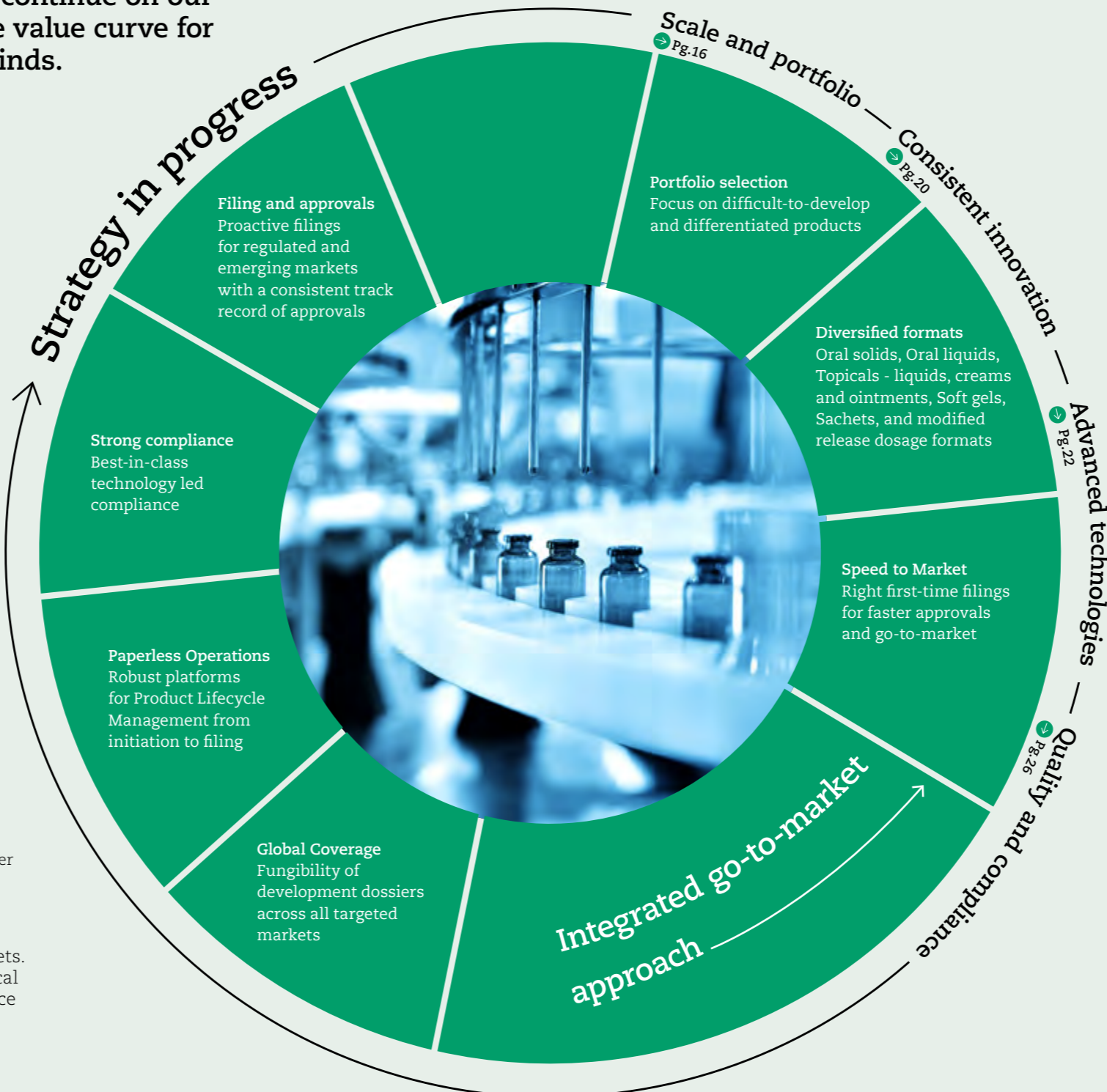
**1** R&D Centre    **130** Cumulative ANDAs filed    **~400** Registrations for other regulated markets



#### Robust team

Our talent pool represents one of our most important assets. Our empowered workforce brings on board strong technical acumen and scientific capability to deliver high compliance and quality.

**3,500+** Global team size    **225+** R&D team size



### Value created for stakeholders



#### Shareholder

We deliver competitive, profitable and sustained returns. During FY 2020-21, the Board has recommended a final dividend of 25% (₹2.50 per equity share) of face value of ₹10.



#### Employees

We strive to provide equal opportunities to all our employees, ensure capability building, training, and above all, provide a safe work environment.



#### Patients and end users

We are committed to improving the lives of patients. We have built strong go-to-market capability through own front-end across key markets.



#### Communities

We contribute towards improving the lives of people in and around our plant locations through our various community interventions. Overall, we reach 12+ villages through our various social development programmes.



#### Planet

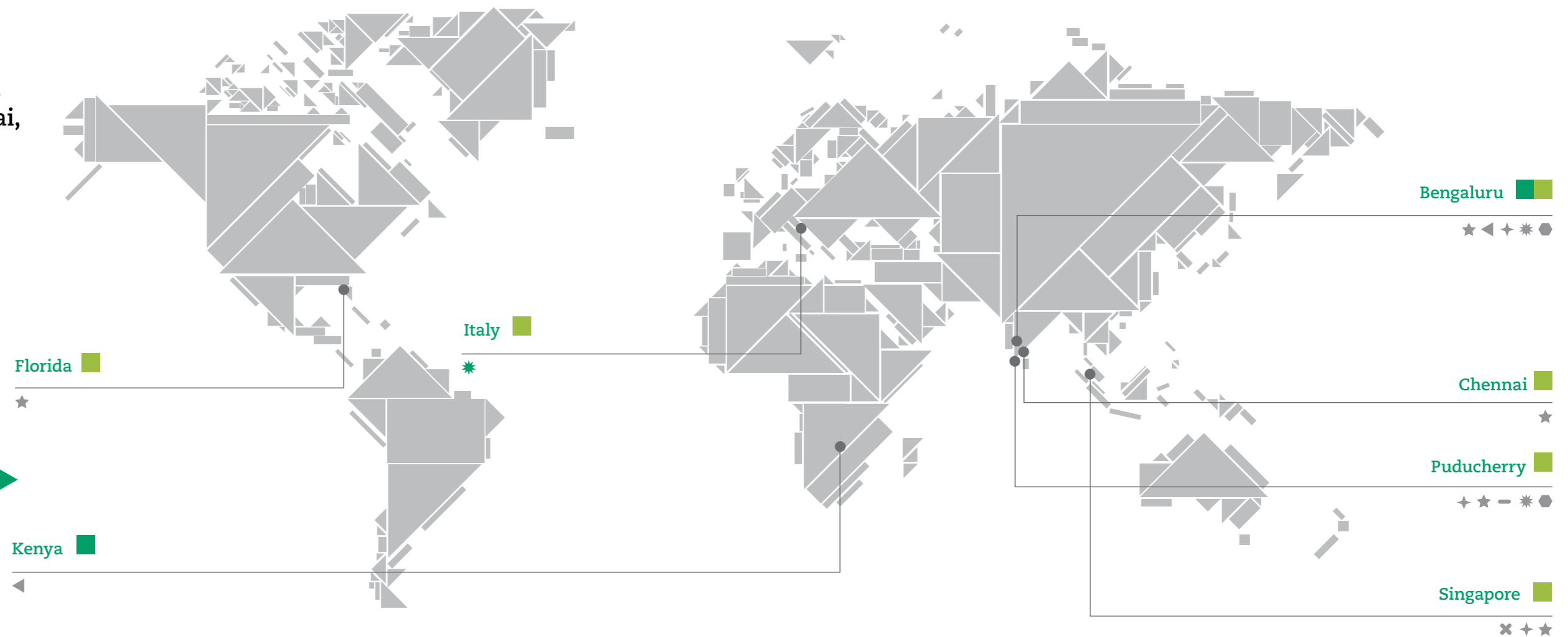
We are driving operational excellence for resource conservation. We are focusing on issues like climate change, waste management, energy efficiency with robust process and best practices to reduce our environmental footprint.

# Global presence

## Advancing across strategic geographies

We have eight global state-of-the-art manufacturing facilities located in India (Chennai, Puducherry and two locations in Bengaluru), Singapore, Italy (Milan), Kenya (Nairobi) and the United States (Florida).

Regulated markets is the key growth pivot for Strides contributing **~80%** of revenues



### Regulated market performance

Markets	Revenues in 2020-21	Revenues in 2019-20*	Year-on-Year growth	Region's share in revenue
US	15,936	13,666	17%	48%
Other regulated markets <sup>1</sup>	10,700	8,361	28%	32%
<b>Total</b>	<b>26,636</b>	<b>22,027</b>	<b>21%</b>	<b>80%</b>

### Emerging markets performance

Region/business	Revenues in 2020-21	Revenues in 2019-20	Year-on-Year growth	Region's share in revenue
Africa	2,778	1,482	87%	8%
Institutional	3,894	2,371	64%	12%
<b>Total</b>	<b>6,672</b>	<b>3,853</b>	<b>73%</b>	<b>20%</b>

### Markets

■ Regulated ■ Emerging

\*Excludes Ranitidine sales of ₹1,756m in FY 2019-20 | 1: UK, EU, South Africa, Canada and the supplies to Australia.

## Key performance indicators

# Consistent performance amid headwinds



Long Term Issuer rating upgraded to 'A+' with a stable outlook by India Ratings



ICRA has reaffirmed Strides Long Term Issuer rating of 'A+' with a stable outlook

# Managing Director & CEO's Message

## Building strategic growth pivots



### Dear Friends,

I do hope that all of you are staying safe, and your families are in good health in these trying times. COVID-19 has extracted a huge toll on our lives and livelihoods during the year. Even as I share my thoughts with you, India and many parts of the world are grappling with the second wave of the pandemic, more severe than the first. The silver lining is that the vaccination drive is gaining momentum across the globe, and humanity as a whole is gradually learning to adapt, perform and thrive in the new normal, which is still unfolding.



**“Our performance amid overwhelming headwinds was the result of the grit and courage of our team.”**

**₹33,308 Million**

Revenue in FY 2020-21

We recognise the contribution of all our colleagues in keeping the engines of growth running at full throttle, despite headwinds. During FY 2020-21, we collectively worked hard to protect our business and the interests of all stakeholders. During the year, we prioritised health over profits and this has resulted in some adjustments in how we conduct our business. I think these initiatives were necessary and the most prudent thing to do, as we are all engulfed in a very complicated scenario.

### Looking back at our performance

During the year under review, your Company delivered a strong performance across all businesses amid a tough operating environment. In the past few years, we have successfully built a business diversified across regulated markets. We built front-end presence in key geographies, and fostered strategic partnerships during this period. Our performance amid overwhelming headwinds was the result of the grit and courage of our team.

During FY 2020-21 we witnessed lower footfalls at pharmacies and lower elective surgeries in hospitals

leading to lower prescription rates, especially across the US, UK and Europe. Moreover, there was weak demand for certain products in the acute portfolio, and our winter portfolio was a complete washout due to the absence of the demand that arises from the flu season.

On the plant approval side, we are pleased with the positive outcome of the recent EU GMP inspection at our Puducherry facility. The positive result of this inspection underscores our commitment to regulatory excellence at our global manufacturing sites. We stay focused on getting the facility reclassified with the USFDA.

During the year, your Company achieved a 29% revenue growth to ₹33,308 Million (₹25,880 Million in FY 2019-20). Our EBITDA grew by 67% to ₹6,497 Million vis-a-vis ₹3,887 Million in FY 2019-20. Our EBITDA margin for FY 2020-21 was at 19.5%, a healthy expansion of 450 bps y-o-y, despite a significant cost increase of ₹1,293 Million from logistics and failure to supply largely owing to COVID-19 related disruptions. Our pharma net profit was at ₹3,090 Million, with pharma earnings per share at ₹34.5 for the year. This performance should be seen in the backdrop of the overwhelming challenges posed by the pandemic on the operational front.

Despite the challenges and discontinuation of Ranitidine, our regulated market business grew by 21% to ₹26,636 Million in FY 2020-21 vis-à-vis ₹22,027 Million in the previous year. Overall, our regulated markets now constitute 80% of our revenues. The US contributes 60% of the regulated market business and has now gained critical scale. Our US business reported revenue of ₹15,936 Million during the year, up 17% year-on-year, despite lower pharmacy footfall, lower visits to hospitals, lesser number of elective surgeries, no flu season and resultant lower prescriptions. The US contributed 48% of our consolidated FY 2020-21 revenues. Our growth was driven by improved revenue contribution from base molecules, new launches and Veteran's Affairs (VA) business leveraging our Singapore facility.

Our revenue from other regulated markets was ₹10,700 Million, up 28% year-on-year on account of portfolio expansion and strengthening of front-end presence. Other regulated markets contributed 32% of consolidated FY 2020-21 revenues. We continue to ramp up our supplies to Arrotex in Australia, driven by increased volumes and expansion of product offerings. We continue to expand our product portfolio for our other regulated markets and have filed 18 new products

**Your Company delivered a strong performance across all businesses amid a tough operating environment. In the past few years, we have successfully built a business diversified across regulated markets.**

130 ANDAs

Filed with the USFDA as on date

**The Board remains committed to maintaining the highest standards of corporate governance and protecting the interests of all stakeholders. Our sound corporate governance framework ensures effective and efficient decision-making, and the right balance of skills, experience and diversity in Board composition to monitor and manage our risks.**

during the year and received approval for 16 new products. Our business continues to benefit from portfolio maximisations and better penetration of the front-end markets.

Our emerging market business has also seen a bounce back with 73% revenue growth to ₹6,672 Million in FY 2020-21 from ₹3,853 Million. Emerging markets contributed 20% of consolidated revenues. The business has benefited from the launch of Tenofovir Lamivudine Dolutegravir (TLD). Moreover, our Africa business returned to growth during the year on a lower base, which was a result of sharper focus on supply chain efficiencies.

We continue to invest in our R&D engine to expand our regulated markets portfolio, as well as

growing our presence in domains where we are currently present, including soft gel capsules, hard gel capsules, topicals, ointments, creams and tablets. During the year, our R&D spend increased by 17.79% over the previous year to ₹1,106 Million. During the fiscal, we filed 11 ANDAs and received approvals for 16 ANDAs in the US. We had the opportunity to launch 6 products in FY 2020-21. Currently, we have 130 ANDAs filed with the USFDA, of which 100 are approved. We expect the filing momentum to pick up in FY 2021-22. In other regulated markets we filed 18 products and received 16 new product approvals.

We have strengthened our management team with professionals having vast industry experience to fast-track our next phase of growth as we continue to build on our position in core markets.

**Our people, our priority**

We continue to pursue a people-first approach, with safety and wellbeing of our employees. We have taken several initiatives to support our workforce during these challenging times. We conducted free vaccination programme for all employees and their families and expanded insurance coverage for COVID-19 over and above the regular medical insurance. We provided full medical assistance for impacted employees and their families including hospital admissions. We ran a 24x7 COVID-19 helpline assisting our employees with medications and counselling.

We mourn the loss of few of our colleagues during the second wave of the pandemic. We are doing everything as a responsible corporate to protect the interests of their families.

**Bringing quality healthcare to all**

We were the first Indian Company to develop and commercially launch Favipiravir tablets for global markets. This development reinforces our commitment to play a substantial role in society by bringing affordable and quality healthcare to millions of people worldwide.

We partnered with Ennaid as an exclusive manufacturer of its oral repurposed medication to treat mild, moderate and asymptomatic cases of COVID-19. Ennaid Therapeutics, a global pharmaceutical company produces an oral, repurposed medication to treat mild, moderate and asymptomatic cases of COVID-19.

Stelis, our biopharma business, partnered with the Russian Direct Investment Fund (RDIF) to make a substantial contribution towards providing global supply of the Sputnik V vaccine, one of the most efficacious approved vaccines which is commercially available. In May 2021, the validation batches of Sputnik were commenced from the newly commissioned facility of Stelis. We expect a large-scale facility to be on track, going forward. Despite, COVID-19-induced challenges we expect to commercialise the product soon.

**Good governance in letter and spirit**

The Board remains committed to maintaining the highest standards of corporate governance and protecting the interests of all stakeholders. Our sound corporate governance framework ensures effective and efficient decision-making, and the right balance of skills, experience and diversity in Board composition to monitor and manage our risks.

On the ESG front, I must assure all stakeholders that we are tracking all our performance metrics and are in the process of strengthening our framework and consequent reporting.

**Evolving scenario**

Despite uncertainties, we will continue to focus on growing the market for our existing products and also consistently launch new products. We are consistently scaling with our tailored strategy to drive stable growth in the US market. In other regulated markets, the outlook for business continues to be robust. Our healthy order book and portfolio expansion will drive our growth, going forward. In emerging markets, we will drive selective expansion of footprint, along with the introduction of new products including line extensions for existing products.

With the near-term uncertainty, we are gearing up our capabilities to achieve our long-term objectives with a three-year time horizon. We believe that the resilience within

the organisation and the solidity of our product portfolio will help us navigate these turbulent times. We will continue to deliver strong revenue and profitability with superior cashflow and ROCE over the next few years.

We have a strong, high-performance culture, which is capable of delivering with flexibility, adapting to the new normal. Our robust operating profit, despite macro headwinds, is a testimony of our formidable execution machine. We are in the right markets, with the right product portfolio and the right performance culture to deliver value that lasts.

I would like to take this opportunity to thank the Board for its continuous guidance and support. I must also convey my deep appreciation of the counsel I receive from my management colleagues and gratitude for all the passion and exemplary efforts of Stridians. I am also thankful to our partners, customers and all stakeholders for their cooperation and trust in us.

Best Wishes

**Ananth**

# CFO's Review

## An all-round performance



**23%**  
EBITDA growth



**“Our all-round performance in FY 2020-21 enabled us to achieve consistency across all financial metrics. While all the performance metrics are moving in the right direction, there is still more work left to be done considering that we are into the second wave of COVID-19, which is throwing a different set of challenges.”**

### Dear Friends,

At the beginning of this financial year, the pandemic disrupted the traditional paradigm and created a need to operate in unique and unfamiliar ways. We had to balance many priorities at the same time with COVID-19 posing overwhelming challenges. We responded quickly and decisively, resulting in an industry-leading financial performance with a strongly positioned balance sheet.

**I am happy to inform that the priorities we had set forth for FY 2020-21 were achieved in true letter and spirit:**

#### 1. Cash conservation / rationalising cost structures

We completed the year with an excellent operating cash generation of ₹4,814 Million, best in the recent times, driven by superior cash flow management, given the unprecedented cash outflows following the Ranitidine withdrawal. We did not compromise capex spends at the cost of future growth. We made further investments of ₹2,370 Million in Stelis, our biopharma business and still maintained the Net Debt/EBITDA at 2.

#### 2. Profitability, Efficiency and Growth

This had been the focus for the last few years. In the most difficult year, we maintained the gross margins at 60% at the Company level, aided by superior performance across regulated markets. The operating leverage helped to achieve the EBITDA

margins at 19.5% post the significant increase in logistics cost due to COVID-19. The interest and depreciation costs were consistent throughout the year. We had a superior effective tax rate against the outlook given at the beginning of the year. All the above culminated into a healthy return on capital employed for our pharma business. In a nutshell, our reported revenues grew by 21%, EBITDA by 23% and adjusted PAT by 32%. Our gross margin stood at 22% for FY 2020-21. This translated into a credit rating upgrade in a difficult year.

The disruptions in supply chain and manufacturing operations during the first wave had significantly depleted our safety stocks on key products. This necessitated us to increase air-shipments in the second half or the year to minimise failure to supply (FTS) and maintain customer advocacy, despite incurring very high freight cost. During FY 2020-21, we saw significant cost increases attributable to manufacturing disruptions and cost escalations with logistics cost increasing by ₹800 Million and FTS increasing by ₹493 Million year-on-year.

Our customer advocacy is enabled through focus on building in-market safety stocks and supply chain efficiencies.

#### 3. Governance and risk management

The entire year was characterised by e-governance. We had to keep the vigil across all overseas locations, and I am pleased with the way the entire Company has responded without compromising on the quality of governance mechanism, be it internal reviews, Board governance and investor relations. We added few marquee investors to our existing elite list of shareholders. The enterprise risk management was implemented effectively across

the Company. A detailed business continuity plan was laid out at the beginning of the year which was periodically reviewed by the risk-management committee. The risks identified during the year were evaluated and mitigated.

#### 4. Turnaround of low-margin business

A strong controllership enabled us to turnaround some of the low margin businesses. These were the businesses where synergies took longer time than anticipated. We are starting to see traction in these markets and with our continued focus, we should be able to significantly improve the performance. The proactive corrections we took on the Africa business in the last year have transformed the business into a high quality one both in terms of profitability and cash flows.

#### 5. Consistency, linearity and better cash-to-cash cycles

Our all-round performance in FY 2020-21 enabled us to achieve consistency across all financial metrics. While all the performance metrics are moving in the right direction, there is still more work left to be done considering that we are into the second wave of COVID-19, which is throwing a different set of challenges.

#### 6. Robust process-driven culture and enhanced IT footprint

We have made significant progress during the year in terms of new analytical tools, which help us to monitor the performance of the Company and take actions more proactively. We believe we have transformed into a metrics-driven organisation.

As we step into the new financial year, the market behaviour continues to be very challenging with lower footfalls in

pharmacies, uncertain flu season, price challenges, supply chain disruptions, higher safety stocks and failure to supply penalties. Amid lot of downside risks our priorities for FY 2021-22 are the following:

- Business continuity and maintaining our reputation across markets.
- Profitability, efficiency, growth continue to be our focus on a sustainable basis in the long run considering the business has achieved a critical size. Considering that investment phase is complete, asset sweating will be the primary driver for efficiencies.
- Compliance regimes are very challenging with every changing regulation, and we need to increase our vigil across all geographies.
- Build a process-driven culture and smart teams across the company.

While we are tracking our ESG metrics meticulously, we are charting out on a more formal ESG journey for the company. We are going back to the drawing board and working on a comprehensive ESG framework that helps us convey our ESG efforts systematically and link the same to our business performance.

We went through an unprecedented year, which gave us daily lessons on, how to govern the Company with swift decisions and actions. I believe that we have laid a reasonable foundation for long-term growth. While much is done, much more needs to be done. I thank all the internal and external stakeholders for reposing faith in our Company, our strategy and our execution skills.

Wish you all the very best.

**Badree**

## Scale and portfolio

# Solidity of our operations is a critical growth engine

We are strengthening our proposition as a vertically-integrated, consumer-focused global formulations company. We have built global scale, enhancing operational efficiencies and maintaining momentum in product launches across our core markets.

### Driving excellence

Global Product Supply (GPS) at Strides embarked on a journey to achieve our strategic goals through a 'capability-powered performance' – finding an effective balance between pure performance and building organisational capability to sustain the performance.

During the second half of FY 2020-21, we have put in place a 4-D (Direction, Dialogue, Deliver and Develop) model to accomplish our short-term and long-term objectives.



The new ways of working have started to bring about some quick wins and business outcomes in terms of production volume with a complex portfolio. More importantly, the team adapted to the methodology with clear objectives, removal of 'silos' through cross-functional projects, regular cadence and effective sponsorship from senior management to remove barriers.

Recently, we have rolled out a three-year strategic roadmap, which will enable GPS to act as a key driver for our growth and adding value for our customers.

### Key product approvals for the US

During FY 2020-21, we got 16 product approvals. These products are a part of the niche and small volume product portfolio with limited competition in the US market.

- **Triamcinolone Acetonide Ointment:** For the relief of the inflammatory and pruritic manifestations of corticosteroid responsive dermatoses.
- **Butalbital, Acetaminophen, Caffeine, and Codeine Phosphate Capsules:** Used for the relief of the symptom complex of tension (or muscle contraction) headache.
- **Butalbital, acetaminophen, and caffeine tablets:** Used for the relief of the symptom complex of tension (or muscle contraction) headache
- **Ethacrynic acid:** A class of medications called diuretics ('water pills') used to treat edema (excess fluid held in body tissues) in adults and children caused by medical problems such as cancer, heart, kidney, or liver disease.
- **Flucytosine Capsule:** Used for the treatment of serious infections caused by susceptible strains of Candida (septicemia, endocarditis

and urinary system infections) and/or Cryptococcus (meningitis and pulmonary infections)

- **Prednisone tablets:** Used as an anti-inflammatory or an immunosuppressant medication. It is used in treatment of different conditions such as allergic disorders, skin conditions, ulcerative colitis, arthritis, lupus, psoriasis, or breathing disorders.
- **Oxybutynin Chloride Tablets:** Belongs to a class of drugs known as antispasmodics and used to treat overactive bladder and urinary conditions. It relaxes the muscles in the bladder to help decrease problems of urgency and frequent urination.
- **Ursodiol tablets:** Use for the treatment of patients with Primary Biliary Cirrhosis (PBC).
- **Emtricitabine and tenofovir:** Belong to class of medications called nucleoside and nucleotide reverse transcriptase inhibitors. The combination of Emtricitabine and Tenofovir slows down the spread of HIV in the body and is used along with other medications to treat HIV in adults and children.
- **Potassium Chloride Oral Solution:** Used for the treatment and prophylaxis of hypokalemia with or without metabolic alkalosis, in patients for whom dietary management with potassium-rich foods or diuretic dose reduction are insufficient.
- **Ursodiol capsules:** Used for the treatment of patients with Primary Biliary Cirrhosis (PBC).
- **Ibuprofen Suspension OTC:** A nonsteroidal anti-inflammatory drug (NSAID) used to relieve pain from various conditions such as headache, dental pain, muscle aches. It is also used to reduce fever and to relieve minor aches and pain due to the common cold or flu.
- **Mefenamic Acid capsules:** Mefenamic acid is used for the short-term treatment of mild to moderate pain from various conditions. It is also used to decrease pain and blood loss from menstrual periods



### Global scale

Strides Pharma Global Pte. Ltd (SPG), Singapore is the international headquarters for Strides Pharma Science Limited. Our Singapore facility has an overall installed capacity of producing 1 Billion tablets annually and is approved by HSA Singapore, USFDA, and TGA Australia. The plant has completed its second full year of commercial operations and achieved break-even in FY 2020-21. A total of 99 ANDAs are approved under SPG.

#### Achievements of FY 2020-21

- Transferred 10 US FDA products to our Singapore facility
- Equipped the plant with high-end Sensus inspection system for scanning tablets with 3D cameras for high level of automated quality controls
- Initiated the transfer of eight new products for manufacturing at SPG
- Implemented electronic data sheet for recording product testing data in Quality Control laboratory
- Launched four products under the Veteran Affairs scheme (VA) in the US
- Commissioned continuous coating machine and started using for commercial batches



Exterior view of Stelis Biopharma facility

### Building a world-class Biopharma franchise

We have nurtured Stelis Biopharma Pvt. Ltd (Stelis) to create a vertically integrated biopharmaceutical company. Stelis offers end-to-end state-of-the-art CDMO services across all phases of pre-clinical and clinical development and commercial supply of biologics. Its operations include R&D, process development, scale-up and end-to-end cGMP manufacturing capabilities from drug substance through drug product in all formats and packaging. Stelis is also

developing select follow-on biologic products for global markets in niche and commercially attractive disease categories. Stelis' advanced research & development facility and 200,000 sq. ft. fully integrated cGMP manufacturing facility are located in Bengaluru, India. The facilities cater to the development and cGMP manufacturing of biologics and injectables conforming to international standards. Stelis recently forayed into vaccine manufacturing with a capability to produce multiple vaccine types.

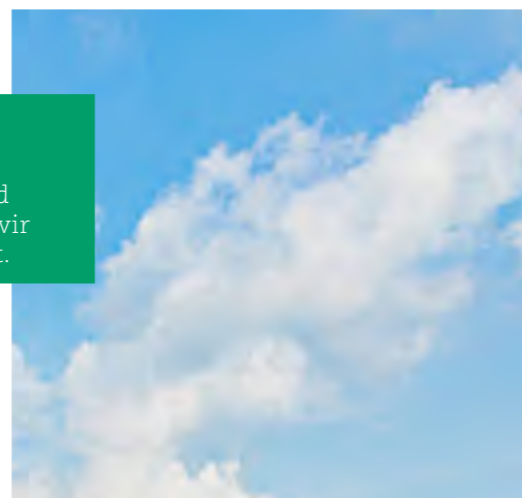
#### Progress in FY 2020-21

- Onboarded eminent corporate doyen Aditya Puri on the Board of Stelis
- The Russian Direct Investment Fund (RDIF, Russia's sovereign wealth fund), and Stelis partnered to produce, and supply a minimum of 200 Million doses of the Russian Sputnik V vaccine against coronavirus sufficient to vaccinate 100 Million people.
- Successfully concluded its Series B and Series C fund raise for a cumulative amount of US\$195 Million. Post money valuation for Stelis is pegged at ~US\$350 Million, underpinning the significant growth potential of the business. With the current capital raise, Stelis is now well positioned to pursue its growth initiatives and scale its business model to deliver promising returns in the coming years.
- Strides Board has approved in principle the demerger of its biopharma business under Stelis Biopharma (Stelis), which is expected to unlock significant value for shareholders of Strides.



#### New launches

Strides Pharma Global Pte Ltd (SPG) has successfully launched Oseltamivir capsules and Tenofovir tablets in the Singapore market.



Our state-of-the-art Singapore facility

## Consistent innovation

# A robust intellectual property pipeline helps foray into new markets


Strides is driven by its expertise in Research and Development (R&D), visible through its success in creating niche and differentiated products portfolio across dosage and technology platforms. This is supported by a strong regulatory expertise.

On the R&D front, our efforts are focussed on accelerating access to safe, affordable and innovative medicines that serve patients worldwide. During the year, we fine-tuned the balance between generic and differentiated products development.

We have capabilities across multiple dosage forms and fostered development partnerships that complement our organic capability. We have expertise in potent compound development, novel drug delivery systems for solid orals [modified release tablets, powder for oral solution/suspension (PFOS) and capsules], oral liquids, soft gelatin capsules and ointment and creams for both regulated and emerging markets. Our product selection for development is focused on niche non-commoditised products characterised by complex formulations and technology across diverse therapeutic segments.

In FY 2020-21, we have maintained our momentum in product development and filing across dosage areas. During the year, we received approval for 16 ANDA and filed 11 more. We have 4 505(b) (2) products in development across dosage forms and therapy areas that address an unmet patient need. We have spent ₹1,106 Million in various innovation and development activities in 2020-21.



  
We spent ₹1,106 Million on various innovation and development activities in 2020-21.

### R&D dashboard\*

11  
ANDAs filed in the US

16  
ANDAs approvals received

18  
Products filed for other regulated markets

16  
New approvals received for other regulated markets

\*Figures of FY 2020-21

### Improving R&D infrastructure and project management processes

During the year, we strengthened our digital and IT infrastructure by integrating the product lifecycle management (PLM) software with instruments to enable data storage and analysis. These processes have enabled paperless operations in our laboratories.

We have enhanced our project management process incorporating stage gates reviews and governance to ensure timely portfolio delivery.

### New product development

During FY 2020-21, we focused on difficult-to-make generics, enriching our basket of differentiated products and portfolio maximisation, wherein existing products were leveraged for other geographies with minimum efforts.

### Road ahead

Going forward, we are targeting 40-45 filings across different geographies. This will be facilitated by our lean structure and our belief in churning out more filings with minimal increase in R&D spend and productivity improvement.

We will have continued focus on consolidating our presence by developing limited competition products, leveraging our existing product portfolio to other geographies and targeted filing of 12-15 ANDAs. Additionally, we will aim to enhance our existing source security and manufacturing robustness.

## Advanced technologies

# Leapfrogging to the digital age

Technology and digital readiness are acting as a major growth enabler for pharmaceutical and life sciences companies worldwide. The availability of multiple vaccines for COVID-19 within a year couldn't be possible without the right exploitation of digital technology in extraordinary ways. The huge volume of production with high accuracy and cold supply chain management of these vaccines testify to the power of our digital ecosystem. We believe that digital readiness will also help us fast-track our growth in the new normal.

The digital journey, started in Strides few years back, equipped us to handle not just the first wave but next one with remarkable resilience.



The 'Path2Digital' programme, which was started in early 2020 for simplifying, integrating and automating our processes has picked up the pace. The organisation has moved forward in the direction of paperless manufacturing facilities by harnessing the most appropriate digital solutions across industries. Portions of digitisation in manufacturing have gone up significantly. Major boost in information security, compliance through digital including virtual audit enablement, bringing the power of data through AI/ML and visualisation have been other achievements for this year.



### Digitisation gaining pace

The programme for manufacturing execution system (MES), a typically multi-year initiative, has really started producing the digital outcomes and a significant percentage of our volumes are manufactured using this system in our flagship production facility. MES system empowers the whole manufacturing operations to be GMP-compliant, along with automatic capturing of data from different machines and instruments. Using MES, we are able to generate electronic 'Batch Manufacturing Records' for manufactured batches which enables us to quickly release the

batches with 'Review by Exception' mechanism.

Electronic logbooks, which started last year, have reached close to halfway mark across multiple manufacturing facilities. The E-logbooks are not just used for core manufacturing and packing but also being used for warehouse and engineering functions. Generally, adoption of such systems is a challenge across the industry but due to a pragmatic digital change management practised by our manufacturing and engineering teams, the electronic logbook is widely used across manufacturing

facilities. Electronic logbook has enabled us to avoid documentation mistakes and ensure concurrent entries of all activities.

Standard Testing Procedure (STP) have been embedded in digital lab application and conversion of the most used STPs in digitised form is creating convenience and efficiency to the quality control function.

For the last few months, more than 98% of our finished products have been tested with electronic raw data sheet improving our Right First Time (RFT) approach.



### Digital assisting in our compliance endeavour

Patient safety is of paramount priority for Strides and digital technology has the power of accelerating our compliance Journey. Analysing the documents through Natural Language Processing (NLP) (part of AI/ML initiative started last year) has progressed well with encouraging outcomes as supervised learning of the model is maturing with more data month after month.

Using the Robotics Process Automation (RPA) technologies, learning management requirements are enforced across the facilities by integration of learning management and access management without human intervention on daily basis.

Three level indexing of all historical documents using a digital system which has document check-in and check-out provisions has enabled fast document retrieval needed for any purposes and the same has been achieved using Record Management System (RMS) in one of our important facilities and in the process of getting extended to every other facilities.

Due to travel-related restrictions most of the compliance audits as well as customer audits have been converted to virtual audit. Enabling virtual audit has been the daunting task for the industry, but Strides has been an early adopter of the technologies for virtual audit. Facility tour and virtual document review are enabled through innovative usage of available technology including smart glasses, and document camera.

The analytics and visualisation of all quality management system records through an advanced tool has enabled people to not only analyse data, but also take the next action in a more meaningful way.

### Enhanced cyber security – Preparing for the future

Cyber Security has been in the news globally during this pandemic. Many security analysts have confirmed that cyber security targeting increased more than 10 times. The security posture was increased, Comprehensive Detection and Response was implemented. Extended Detection and Response (XDR) from a leading global provider was added across

facilities including each end point, which enables proactive threat hunting. Advanced email security filter has been added as another layer of defence for fishing mails. Enhanced firewalls were deployed at each site, which will further enable IT-OT (Information Technology and Operation Technology) Segregation. Integrated SIEM and SOC solutions have been implemented which enables quick response for 24X7 hours across the year.

### Reinforcing the digital infrastructure

Agility and scalability are the core requirement for next-generation applications. New Hybrid Cloud infrastructure has been created with Public Cloud, Co-located third-party data centre and in-premise data centre. A good foundation for the seamless integration has been created and a portion of work load has been moving to the public cloud every quarter.

### Way forward

We target to achieve 100% digitisation of all paper logbooks across major sites and product portfolio by end of this year. Data is already the central theme to most of our processes. Additionally, we will leverage AI/ML (Artificial Intelligence and Machine Learning) as well as Big Data to improve quality and reduce Out of Specification (OOS) invalidation by harvesting the tremendous data being generated out of our digitisation activities for years.

Digital skills upgrades and creating more digital evangelists across the functions are definitely very important for our journey. While digital has truly empowered our compliance outcomes, using the digital ecosystem for growth, improving profitability and bringing the resilience related to these are going to be integral to our flagship 'Path2Digital' programme.



Enhanced firewalls were deployed at each site, which will further enable IT-OT (Information Technology and Operation Technology) Segregation.

## Quality and compliance

# Elevating quality benchmarks and compliance curve

Quality benchmarks and regulatory compliance continue to be one of the critical focus areas for us. More so, as the regulatory landscape continues to evolve in our core markets. We are already invested to aggressively strengthen the technology backbone of our ecosystem. Our manufacturing facilities are automated to a large extent, ensuring greater accuracy and precision.

### Stronger quality and compliance

We are reinforcing quality excellence across the organisation with an agenda for people, processes, products and technology. We are closely monitoring this programme to ensure that the desired Quality Culture objectives are attained. During FY 2020-21, we undertook the following initiatives:

Increased the level of digitisation of operations in our facilities. This includes phased realisation of eBMR projects, electronic lab operations, electronic logbooks, and so on.

Facilitated real-time data monitoring and data management for environmental conditions.

Enhanced quality governance using real-time analytics for greater effectiveness in Quality Management System (QMS).

Improvements in document management including incorporation of electronic document archival system.



We enhanced the maturity of all the Quality Management System (QMS), Enterprise Resource Planning (ERP) and other IT applications during the year. Our acquired facility in Florida underwent infrastructural changes to meet our standards including integration with our corporate quality systems.



Our world class laboratories

### Puducherry facility - Roadmap post response to warning

Our Puducherry site continues to supply products to the US under enhanced compliance procedures and oversight. We have completed all Corrective and Preventive Action (CAPA) plans submitted to the agency. On the submission of CAPAs, we have requested the FDA to re-inspect our Puducherry site.

We engaged a US based third-party independent consulting firm to assist us in a comprehensive remediation programme in response to a Warning Letter issued to our Puducherry site by FDA in July 2019.

Subsequently, we have invested significant time and resources to facilitate targeted training for upskilling individuals and teams. Several training sessions led by external and internal instructors have already been conducted for employees at various sites of Strides.

### EU GMP inspection at Puducherry facility

We successfully completed the EU GMP inspection carried out by the National Institute of Pharmacy and Nutrition (OGYÉI), Hungary at its Puducherry facility on April 28, 2021. We have received the renewed GMP (Good Manufacturing Practices) certificate thereby confirming the successful closure of the inspection. In August 2020, had also announced successful completion of the UK MHRA inspection at the site. The Puducherry facility caters to the US, Other Regulated Markets and Institutional businesses and has capabilities to produce finished dosage formulation products across multiple dosage formats. Going forward, we stay focused on getting the facility reclassified with the USFDA.

### Way forward

Marching towards the future, we are confident that our continuous investments and initiatives will keep our compliance culture aligned to industry best practices.



## Sustainability at Strides

# Safeguarding interests of all stakeholders

At Strides, we have always believed in the principle of 'giving back' as we recognised early in our journey, the importance of growing with our stakeholders. Over the years, Strides has evolved as a company, and so has our approach to sustainability. Our ESG initiatives go beyond compliance to create sustainable value for our stakeholders. The real purpose of our business is to develop and manufacture quality medicines to solve unmet patient needs across the world.

Our purpose to be in business is to solve unmet patient needs across core markets by developing affordable complex or specialty generics.



School for underprivileged children funded by the Strides Foundation

## Environment



At Strides, we understand the impact of our operations on the environment. We are already implementing various measures such as reducing energy consumption, higher usage of renewable energy, lower carbon footprint, recycling wastewater, decreasing potable water consumption, focusing on waste management to move towards net-zero impact.

### Energy consumption and renewal energy

Electricity generation, irrespective of the form, impacts our environment, decreases our fossil fuels, and results in higher air pollution. At Strides, we understand the need to use electricity efficiently and are moving towards more sustainable forms of energy. We have an in-house solar power generating systems of 340 KW capacity. We will continue to focus on higher usage of clean energy in our operations. To become more energy efficient, we have moved from TFL/ CFL/SVL to energy-efficient LED lights.

### Water and waste management

#### Water Management

We endeavour to recycle and reuse as much water as possible as well as conserve the water. We have a system to recycle the wastewater and increase the water table in and around plant sites.

#### During FY 2021-20

1. We treated 1,20,267 KL of wastewater by water treatment plants and reused it for garden/lawn/utilities inside the plant premises across all sites in India.
2. We recycled 29,675 KL of water from steam condensate and reused it for steam generation at KRSG & Puducherry.
3. We collected and recharged 9,947 KL rainwater to improve the groundwater table in and around the plant across all sites.

#### Operational waste

We strive to create safe, efficient, and affordable medicines while adhering to the highest

compliance standards. We use the finest quality of raw materials and implement precautionary approach to minimise waste/rejected batches. We also ensure that the waste generated during the manufacturing process is appropriately disposed given these are bio-medical waste.

#### Paper Usage

Our new initiative – “eLogbooks” has been helping us strengthen digitising the manufacturing operations, upgrade our HR systems, and have paperless R&D operations. The initiative allows us to minimise paper usage and move towards a more sustainable workplace. We endeavour to reach 100% digitisation across all our sites and product portfolios in the coming years. We are also undertaking similar initiatives to reduce paper consumption at our corporate offices by leveraging digital platforms

## Social

### Employees

Strides has a global team of ~3,500 people who work in a diverse and harmonious work environment, with a transparent and open culture. Our employees are our greatest asset. We are committed to providing a safe, productive, and flexible workplace and presenting them with unparalleled growth opportunities. We have all the necessary policies in place and conduct different types of engagement with our employees to keep them happy and motivated. We attract and retain the best talent and pursue a merit-based recruitment, rewards and recognitions policy. We support our people with adequate training for improving their skills and motivate them to align their goals with organisational objectives, driving excellence. We have developed policies and procedures to ensure that every employee is treated with dignity, respect, and equality

### Health & Safety

For sustainable business, the safety and health of an employee are essential. We give utmost importance to the wellness of our employees. The Company provides medical insurance to all the permanent employees, allows flexible work timings for exercise, provides maternal and paternal leaves, work from home option under our flagship employee wellness program – We care. At Strides, we conduct regular safety training and mock drills to increase awareness and prepare employees for unexpected situations.

### Diversity

At Strides, we have always believed in equality. Being a global organisation, we have a multi-cultured workforce with a strict no discrimination policy in terms of sex, religion, nationality, caste, and creed. We have maintained a

merit-based culture with a zero-tolerance attitude towards any act of sexual harassment. Our diversity journey has just begun, and we are committed to delivering on diversity, equality, and inclusion.

### Skill development

At Strides, we are proud of our Continuous Learning Program (CLP), our interactive digital learnings platform, which facilitates continuous skill development and helps our employees to strengthen their skills and enhance personal capabilities. CLP promotes personal and professional development focusing on functional and behavioural competencies such as communication, innovative thinking, collaboration, problem-solving, negotiation, accountability for results, and many more. We also collaborate with various prestigious institutes like IIM-B, BITS Pilani, TISS, NMIMS, etc., to impart different emerging skills and trends to our employees. Strides has an active succession planning mechanism through the Future Leadership Program, which helps us identify and develop future leaders. The initiative helps in retaining and enhancing the capabilities of our future leaders. In FY 2020-21, we conducted 8,480 hours or 1,060-man days of training for our global workforce.



~3,500  
Global workforce

### Protecting our teams when it matters most

**Support for deceased employees' families:** We will support the families of employees who have passed away due to COVID-19 by providing them a sum equivalent to two years' gross salary. This is in addition to the insurance bereavement coverage. Our insurance provides a sum equivalent to three years' gross salary for executive level onwards and five years' gross salary for the Operators and Technical Officers level, in case of death during the service.

### Vaccination drive for our people:

We conducted vaccination camps for our employees and their families across our operating locations. We had tied up with leading private hospitals for conducting the vaccination drives.

We also provided reimbursement of vaccination costs incurred by employees for themselves and their families as we encourage our employees to be vaccinated and continue to exercise adequate precaution.

**COVID-19 Kavach Policy:** We are renewing our COVID-19 Kavach policy, which is a COVID-19-specific insurance cover that also addresses home quarantine, medication, and so on. This is over and above the medical insurance and will be of great support to all.

**Assistance from in-house doctors:** Our in-house doctors are extending their help round the clock for teleconsultation of affected employees or their families.



### Awareness session with doctors:

We have organised a virtual doctors' round table to clarify our doubts and apprehensions on hospitalisation, medication, home care and other medical aspects related to COVID-19. We have held awareness programmes on our current insurance plan, as we feel all of us should be aware of the current policy during any eventuality.

**COVID-19 voluntary employee fund:** We have set up a voluntary employee fund to provide financial support to COVID-19 impacted employees and their families.

### Employee connects and streamlined coordination from HR and Administration:

There is a coordinated approach across all site HRs and the Admin team to tackle any case related to COVID-19. Quick hospital admission support and growing the inventory of oxygen cylinders, concentrators, and pulse oximeters is our top priority. Multiple Open House sessions were conducted by senior leaders to

understand employee concerns and to communicate our readiness to tackle the COVID-19 scenario.

We are proud of our employees who stood firm and demonstrated their exemplary will during these testing times. We implemented various social-distancing measures not just on the shopfloor, but also in our canteens, and buses plying workers to and from the factory with regular sanitisation throughout the factory, and frequent deep sanitisation to ensure our products remain safe. We also implemented regular thermal and blood oxygen checks across the factory and corporate offices worldwide.

We continue to deliver on our purpose with the strong support of our employees, who led different initiatives to overcome the hurdles posed by COVID-19 and continue the production at full steam, while adhering to stringent social protocols.

**Community**

As a global pharmaceutical company, we continue to support the community around us to facilitate better health, education, and employability to help them grow individually and as a community.

**Healthcare**

To provide better and affordable healthcare facilities to the community, we started healthcare centers – “Arogradham” in partnership with Karuna Trust. Arogyadham is a state of art specialty healthcare center offering free consultations and highly subsidised medicines and diagnostic services. We focus on increasing awareness on health and hygiene and provide high-quality preventive, promotive, and curative services. Arogyadham is active in the surrounding areas of our plant in Bengaluru. We are proud to share that Arogyadhama has been certified as one of the best PHC in maintaining health records and keeping them real-time.



Handing over of sanitisers to different government hospitals



Handing over of RO water unit at Anekal main road

**RO water plants (increasing access to potable water)**

Strides foundation has built nine self-sustaining RO water units with a 2,000 litre per hour capacity to increase the accessibility of safe drinking water to communities around us. We started this project in 2016 involving communities around our plant in Bengaluru. We were able to provide safe drinking water to more than 9,000 people. We strive to increase our efforts on accessibility to safe drinking water, as we increased two RO water units during the year FY 2020-21.

**Education**

At Strides, we are focused on building the youth of our nations, and to serve this purpose, we have a Leadership Adoption Program for Schools (LeAPS). Our vision is to transform the students at government schools into professionally responsible citizens. The year-long integrated program focused on imparting learning styles, listening skills, and retention delivered by People Pro Trainers.

This program covered more than 500 students in government primary and high schools. We were not able to pursue the program during the year due to the closure of schools throughout the year, but we are committed to re-start the program with more vigor once schools open up. We also help the government in improving education infrastructure to increase access to primary learning for the youth.



Students at government schools under our LeAPS programme

**Employability**

To enhance the employability of youth from underprivileged communities, we conduct Employment Empowerment Program to provide vocational training to the underprivileged youth and train them in several job-oriented courses with a holistic approach to make them responsible citizens.

**COVID-19 Pandemic**



Handing over of ICU Ventilators to different government hospitals

**During FY 2020-21 Strides donated:**



**15** ventilators to government and BBMP hospitals



**10,000** Masks



**10,000** bottles of 500 ml Sanitisers to government hospitals



**500** liters of Sanitiser to DC in Puducherry



**~18,000** packed food distributed amongst frontline taskforce and migrants over four months.



**1,000** survival kits distributed to migrants around Anekal

As a global pharmaceutical company, Strides has been at the forefront of fighting the COVID-19 pandemic by making available COVID-19 related medicines in the market. Strides being an ethical, responsible corporate citizen did not take advantage of shortages of the drugs in the market to raise the price of our products. We continue to provide medicine at an affordable rate to your customers.

To support the community around us, Strides continued to donate ventilators, Sanitisers, and different types of masks and sponsored packets and survival kits to help the migrant workers and wage earners.

We are proud of our employees who stood firm and demonstrated their commitment in testing times. We prioritised the safety and wellbeing of our teams before everything else. We implemented various social distancing measures not just on the shop floor but also in canteens, buses plying workers to and from the factory with regular sanitisation throughout the factory, and frequent deep sanitisation to ensure our products remain safe. We also implemented regular thermal checks and blood

oxygen checks throughout the factory and corporate offices across the globe. We were able to deliver on our social purpose with the strong support of our employees, who led different initiatives to overcome the hurdles of COVID-19 and continue the production at full steam while adhering to strict social protocols.

We have started vaccinating our employees and we endeavour to vaccinate all our employees by October 2021.

**Supply chain partners**

**Supporting local MSME economy**

At Strides, we believe in growing with our stakeholders. To further this agenda on the supply chain side, we procure goods from local and small producers who adhere to the highest ethical, environmental, and social standards. Sourcing from local small and medium businesses helps them grow with Strides and helps the environmental front by reducing air pollution and lower usage of fossil fuels due to reduced distance to the factory. We continue to procure part of required materials from local vendors while ensuring sustainable practices by vendors. We maintain open dialogue with vendors on how they can improve their operations. We have developed a well-defined 'Suppliers Code of Conduct' to become more responsible and have a sustainable sourcing mechanism.



# Governance

Our shareholders elect the Board of Directors and Auditors to ensure that an appropriate governance structure is in place. The Board of Directors is responsible for setting up the strategic direction of the company as well as guiding the leadership. Board is also responsible for supervising the business performance and reporting the same to shareholders.

At Strides, our multi-cultured, multi-disciplinary and knowledgeable board has developed a holistic approach to corporate governance. Board has defined values for business which are Integrity, Collaboration, and Efficiency (ICE).

US\$2 Billion  
value to our stakeholders

**Board values**

**Integrity:** We will follow the right practices and do the right thing

**Collaboration:** We will work together, understanding and supporting each other

**Efficiency:** We will do everything to deliver quicker, better results

We continue to benchmark ourselves against our principles and the global best practices to remain effective and efficient in governance monitoring. Our Board has set up robust policies and procedures, including the Code of conduct, Board Diversity Policy, Dividend Distribution policy, Policy for Preservation of Documents, Determination of Material Events and Information, Remuneration policy, Related Party Transaction Policy, among others. We continue to review and amend these policies as necessary to keep them updated with the dynamic ESG environment.

- Board Structure**
- 50% of our Board consists of Independent Directors.
  - Managing Director and Chairman is with two different executives with our Chairman being a Non-executive Director
  - Our Board has an optimal mix of professionalism, knowledge, and experience.

**Compliance**

As a pharma company, upholding a state of complete vigilance and control in our manufacturing sites is non-negotiable. There can be no room for complacency when it comes to quality compliance. We have an unwavering focus on driving Quality and Compliance to stay ahead of the curve. It is with this view that we launched the Quality Fabric initiative in FY 2019-20. Quality Fabric is our internal initiative to strengthen and define our quality culture based on people, products, processes, and facilities.

# Board of Directors



**Arun Kumar**  
Non-Executive Director & Chairman of the Board  
M M



**Dr. R Ananthanarayanan**  
Managing Director & Chief Executive Officer  
M M



**Badree Komandur**  
Executive Director-Finance & Group Chief Financial Officer  
M



**Dr. Kausalya Santhanam**  
Independent Director  
M M C



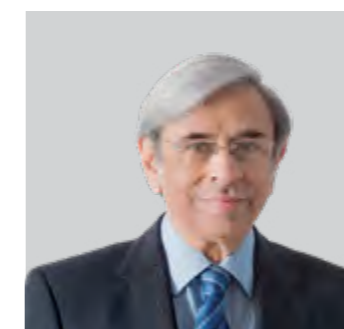
**Deepak Vaidya**  
Non-Executive Director  
M M C M M



**S Sridhar**  
Independent Director  
C M M M



**Bharat. D Shah**  
Independent Director  
M C M M



**Homi Rustam Khusrokhhan**  
Independent Director  
M M M C

Audit Committee	Risk Management Committee	Nomination and Remuneration Committee
Stakeholder Relationship Committee	CSR Committee	Chairperson of the Committee
		Member

# Leadership team

**Dr. R Ananthanarayanan**  
Managing Director &  
Chief Executive Officer

**Badree Komandur**  
Executive Director-Finance &  
Group Chief Financial Officer

**Christoph Funke**  
Chief Operations Officer

**Mohan Kumar**  
CEO & Managing Director,  
Strides Pharma Global, Singapore  
(International Headquarters)

**Terrance Coughlin**  
Chief Executive Officer  
U.S. business

**Rahul Garella**  
Chief Commercial Officer –  
International Markets

**Dr. Raviraj Pillai**  
Chief Scientific Officer

**Umesh Kale**  
Chief of Quality Services

**Anjani Kumar**  
Chief Information Officer

**Dr. Tanaya Mishra**  
Chief Human Resource Officer

**Sormistha Ghosh**  
Group General Counsel and  
Chief Risk Officer



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# Management Discussion and Analysis

FY 2020-21 was a tough year for us with COVID-19 causing significant headwinds in our operating environment. We witnessed lower footfalls at pharmacies and lower elective surgeries in hospitals throughout the year, this led to lower prescription rates specifically in the US, UK and Europe. While we saw tepid demand for certain products in the acute portfolio, the winter portfolio was a complete washout in FY 2020-21 due to the absence of the flu season.

The disruptions in manufacturing operations including intermittent shutdowns at our facilities during the first wave had significantly depleted our safety stocks on many key products. Therefore, we had to add shipments in the second half of the year to maintain customer advocacy and minimise the failure to supply (FTS), despite very high freight rates. The year also saw significant cost escalations, attributable to disruptions caused by COVID-19. Despite a tough operating environment, we reported a healthy performance across all businesses in FY 2020-21. We continue to pursue a people-first approach, and the well-being of our employees remains our top priority.

We acknowledge the critical roles our teams played during the year to ensure business continuity.

In the near term, the operating environment continues to be challenging, ambiguous and uncertain, as we continue to adopt the people-first approach, prioritising health over profit. We believe that the resilience within the organisation, the strength of our product portfolio, and our presence in key markets will help us navigate these turbulent times. We are committed to drive high-operational performance and generate superior cashflows and return on capital employed.

## Economic environment

### World

The year 2020 saw the global economy suffer an unimaginable setback as the COVID-19 pandemic impacted all countries of the world. Economic activities came to a standstill for several months following complete lockdown or restricted mobility imposed by governments to flatten the COVID-19 curve. According to the International Monetary Fund (IMF), the global economy underwent a contraction of -3.3% during 2020.

Although the contraction in the global economy was unprecedented in living memory, extraordinary policy support by governments and central banks prevented significant economic and social impacts.

The US economy was severely impacted by the virus outbreak as millions of people lost lives and livelihood. In the initial months there was large-scale confusion among members of the medical fraternity and the federal government as to how to adequately ramp-up the health infrastructure, fast-track research on effective vaccines and save lives. US payrolls data suggested unemployment continued to escalate as businesses across sectors had to be closed down in order to curb the spread of the virus.

In March and April 2020, the U.S. Government passed three relief packages and one supplemental package, totalling approximately US\$2.8 Trillion. The U.S. Federal Reserve also took a series of substantial monetary stimulus measures to complement the fiscal stimulus of the government. The Fed's stimulus measures for 2020 fell into three basic categories: interest rate cuts, loans and asset purchases, and regulatory changes. These initiatives helped ensure that the U.S. economy had enough liquidity to combat the crisis and fast-track growth. The Federal Government cleared an additional US\$1.9 Trillion COVID-19 relief package in March 2021.

In large parts of Europe precautionary social distancing and stringent lockdowns in response to surging COVID-19 cases triggered an unprecedented collapse in economic activity. EU nations focused on four priority areas as their first COVID-19 response initiative in April 2020: a) limiting the spread of the virus; b) ensuring the provision of medical equipment; c) promoting research for treatments and vaccines; and d) supporting jobs, businesses and the economy. EU leaders endorsed a €540 Billion package of three safety nets for workers, businesses and member states. The package comprised €100 Billion support to mitigate unemployment risks in an emergency (SURE), €200 Billion pan-European guarantee fund for loans to companies (European Investment Bank); and €240 Billion as pandemic crisis support for member states (European Stability Mechanism). The European Union has also agreed to begin distributing the Next Generation EU funds to cushion a large section of the vulnerable population from the economic impact (escalating personal debt, high rate of unemployment and loss of livelihoods) of COVID-19. These measures are expected to further boost economic growth and provide sizable support to trading partners.

Emerging economies have also announced various stimulus measures to support their economies, which were badly hit. However, the COVID-19 global recession and economic policy response have triggered a surge in debt levels in emerging markets. The advanced economies are expected to recover from the COVID-19 crisis faster than most emerging market economies, reflecting their

earlier access to vaccinations and greater fiscal room to maintain supportive macroeconomic policies for a longer period time.

### Outlook

The strength of the recovery essentially depends on a rapid rollout of effective vaccines worldwide and the extent of support measures. The world is now looking towards an uncertain and fragile recovery, especially when we consider the more devastating impacts of the second and third COVID-19 waves.

The recovery is also divergent across geographies, with the US, EU, Japan and other advanced economies recovering at a faster pace, while middle-income and low-income economies in Asia and Africa are still grappling with COVID-19-induced headwinds. Inflationary pressures are also mounting on both advanced and emerging economies, which may limit the fiscal space left for central banks to sustain an accommodative stance for a prolonged period of time.

The IMF calls for a tailored approach to the crisis with policy responses attuned to the severity of the pandemic, the pace of economic recovery, and the social and economic capability of individual countries. With escalating debt levels, developing countries are already hamstrung. Therefore, they will need to exercise extra caution through an uncertain period, especially now that the resurgence of the virus and a delay in vaccine rollout has compounded their problems.

### India

India was also severely impacted by the COVID-19 pandemic in 2020. The sluggish growth of 2020 was compounded by restrictions imposed by the government during the lockdown to curb the spread of the virus. The manufacturing and services sector (especially contact intensive sectors such as leisure, travel and tourism) were severely impacted. The country's GDP declined by 24% during the first quarter of FY 2020-21.

To prevent further downside, the Government of India announced fiscal and monetary stimulus worth 10% of the GDP. The Reserve Bank of India (RBI) took various measures to ease the liquidity constraints in the economy, protect Micro, Small and Medium-sized Enterprises (MSMEs) and the most vulnerable sections of society.

If we consider the entire stretch of FY 2020-21, India's GDP contracted by 7.3%. However, it must be emphasised that the country's economy moved into positive growth territory in the last two quarters of the year, aided by the fiscal and monetary stimulus measures of the Government of India and the Reserve Bank. The fiscal stimulus by the Government of India was reinforced by a forward-looking Union Budget for FY 2021-22, with emphasis on: a) health and well-being; b) physical and financial capital and infrastructure; c) inclusive development for aspirational India; d) reinvigorating human capital, innovation and R&D; e) and minimum government and maximum governance.

### Outlook

The outlook for the Indian economy will largely depend on how fast and effectively the country can manage the prevalent COVID-19 infections, which has forced localised lockdowns and restricted mobility in several states of the country. This has again impacted the performance of the manufacturing and services sector, which were beginning to recover from the first COVID-19 impact post Q3 of FY 2020-21.

However, aggregate supply conditions in the economy are supported by the resilience of the agricultural sector. The record food grains production and buffer stocks in FY 2020-21 provide food security and support to other sectors of the economy in the form of rural demand, employment and agricultural inputs and supplies, including for exports. The forecast of a normal monsoon by the India Meteorological Department (IMD) is likely to sustain rural demand and overall output in the current fiscal year, while also taming inflationary pressures.

Aggregate demand conditions are likely to see a temporary dip, depending on how the COVID-19 scenario unfolds. With restrictions and containment measures being localised and targeted, businesses and households are learning to adapt. According to the RBI the disruption in the manufacturing sector so far is minimal and consumption demand is also holding up. Consequently, the dent to aggregate demand is expected to be moderate compared to a year ago.

The high-frequency indicators (GST collections, Railway freight, power consumption, E-way bills) of the economy are positive, which may strengthen further in the second half of the fiscal year. However, there are huge downside risks, as the vaccination programme and healthcare infrastructure of the country are under significant stress. The government is assessing on a real-time basis the impact of the second wave on macro-economic and financial conditions.

## Industry development

### Global pharmaceutical industry

The global pharmaceutical market size in 2020 was estimated at US\$1.27 Trillion and is expected to expand at a compound annual growth rate (CAGR) of 3-6% to US\$1.6 Trillion by 2025 (this outlook excludes impact of spending on COVID-19 vaccines). Key factor driving global medicine spending will be a stronger growth of pharmerging markets and the consistent launch of high-end specialty innovative products in developed markets. An offsetting aspect will be the slower growth in developed markets as losses of exclusivity for original brands outweigh growth from new products.

The pharmaceutical markets in the developed world grew at ~4% CAGR from 2016 to 2020 and are estimated to grow at about 1.5-4.5% CAGR to reach US\$1.13-1.16 Trillion by 2025. This will be driven by new treatment adoptions, offset by patent lifecycles and competition from generics and biosimilars. These are expected to continue to be the primary factors, influencing medicine spending and

growth of the pharmaceutical markets in developed countries.

The pharmerging markets have reported a growth in spending at ~7.4% CAGR between 2016 and 2020 to reach US\$290.8 Billion in 2020. Spending across major pharmerging markets is likely to grow at 7% to 10% through 2025, driven by the largest countries — China, Brazil, India and Russia.

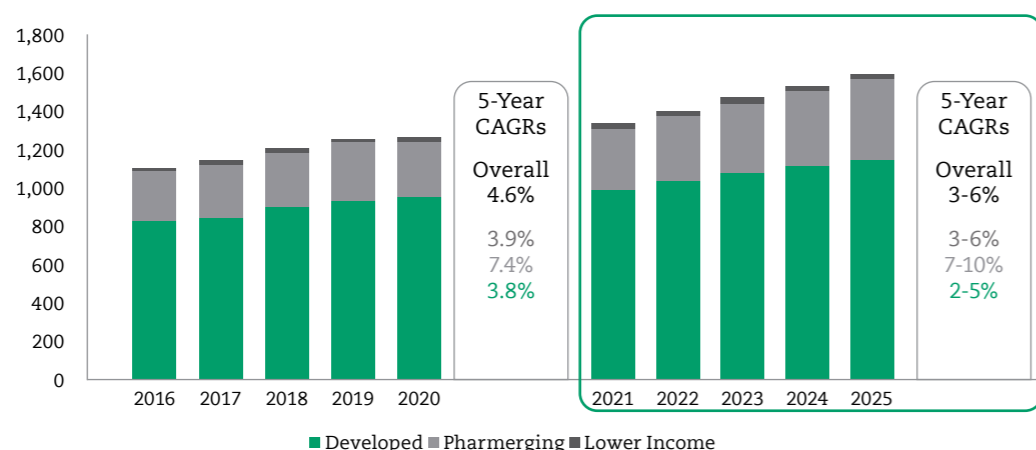
COVID-19-led disruption had handicapped the global markets. The pharmaceutical industry witnessed multiple challenges ranging from supply chain disruption, product launches and uptake, lower footfalls at pharmacies and hospitals and slowdown in R&D activities among others.

Challenges also brought forward opportunities and it is rightly applied to the pharmaceutical industry which is now living through the impact of the COVID-19 pandemic and evolving under evolving circumstances. High-tech implementations and investments in research & development in many companies have started to

improve their efficiency. Pharma companies worldwide focused on refining the production cycle with Artificial intelligence, Machine Learning, cloud technology, and other digital investments, resulting in benefits like help identify appropriate drugs for specific conditions, run budget-friendly trials for drug design, identify right times to start and change medical treatments, gather health data more efficiently, and many more advantages.

The global pandemic had varied impact on spending across countries in 2020. This trend is expected to continue through to 2022 before returning to historic patterns. The developed markets saw recovery towards the end of 2020 (variability of +/- 10% in specific countries). The year 2021 will see rebound spending (including COVID-19 vaccines) and exceed the pre-pandemic outlook through 2025. Moreover, pharmerging markets saw disruption and gave differentiated response. Overall demand for new therapeutics and vaccines for COVID-19 gained momentum. Going forward, global spending on COVID-19 vaccines is estimated to be US\$157 Billion over the next five years.

### Global pharmaceutical industry growth: 2016-25



Source: IQVIA Market Prognosis

### Global pharmaceutical market growth

Region	2020	2016-2020 CAGR	2025	(US\$ Billion)	
				2021-2025 CAGR	2025-2030 CAGR
Developed	959.5	3.8%	1130-1160	1.5-4.5%	1.5-4.5%
Pharmerging	290.8	7.4%	415-445	7-10%	7-10%
Lower income countries	15.0	3.9%	18-22	3-6%	3-6%
Global	1,265.3	4.7%	1580-1610	3-6%	3-6%

Source: IQVIA Market Prognosis

### Global pharmaceutical market 2025 – Product type

Region	(US\$ Billion)			
	Original brands	Non-original brands	Unbranded generics	Other
Developed	795-825	170-200	48-52	90-110
Pharmerging	125-155	140-170	75-95	40-70
Lower income countries	5-9	6-10	2-4	1-2
Global	940-970	330-360	120-150	145-175

Source: IQVIA Market Prognosis

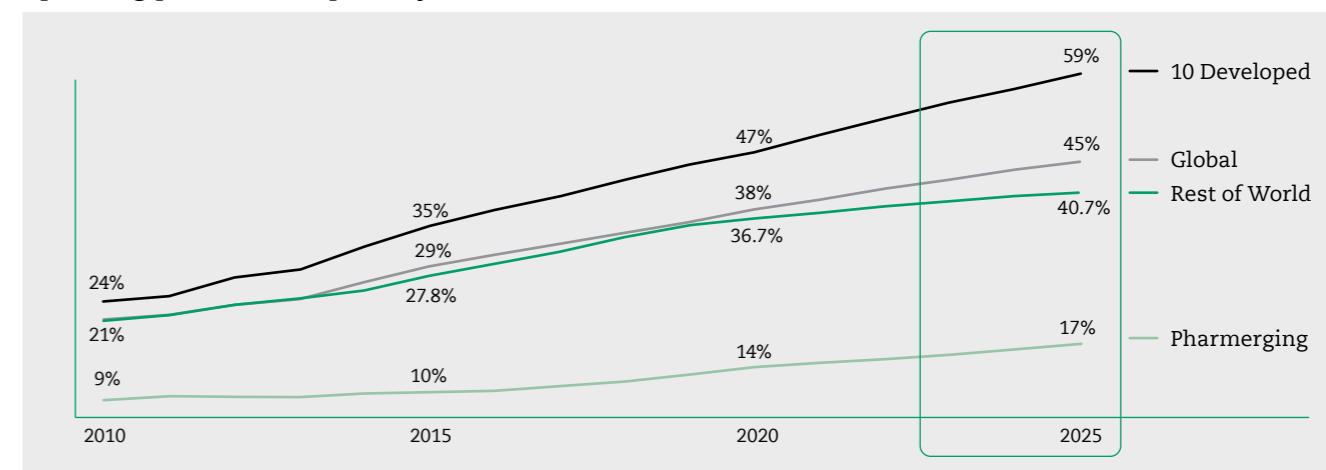
### Specialty medicines

Specialty medicines are those which treat chronic, complex and rare diseases, and while they have a range of characteristics—including the complexity of disease management or distribution—the most commonly noted attribute is that they are more expensive than other more traditional medicines. Specialty medicines will represent nearly half of global spending in 2025 and almost 60% of total spending in developed markets. The ten largest

developed countries and other high and upper middle-income countries are witnessing consistent increase in their spending share on specialty medicines.

Over the next five years, an average of 54-63 New Active Substances (NAS) are expected to be launched globally every year, totalling 290-315 over five years. This scenario is expected to contribute to a rising number of new medicines.

### Spending patterns on specialty medicines

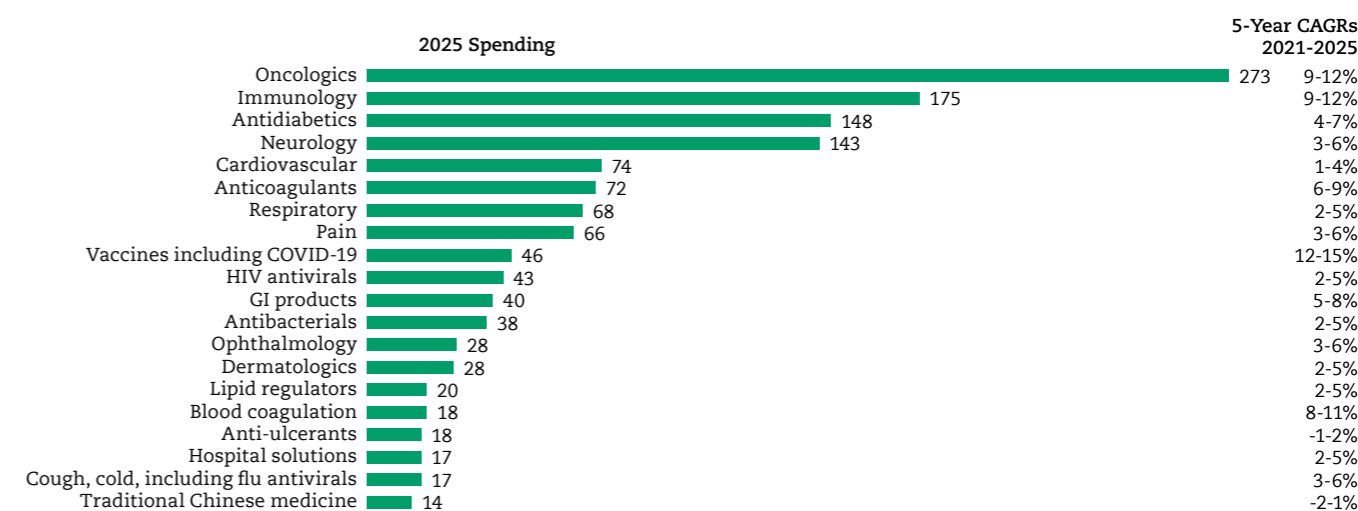


Source: IQVIA Market Prognosis

### Key therapeutic areas

In the next five years, oncology and immunology are forecast to grow by 9-12% CAGR emerging as the two leading global therapy areas.

### Top 20 therapy areas in 2025 in global spending (5-year CAGR forecast) (US\$ Billion)



Source: IQVIA Market Prognosis

**Generics market**

Generics have witnessed a steady development path for over three decades. The global generic drugs market was valued at US\$387.92 Billion in 2020 is expected to grow at a CAGR of 5.7% till 2030 (Source: <http://www.globenewswire.com>).

As the market for simple generic products has become saturated, biopharma companies are turning their focus to complex generic drugs. These drugs deliver more value to patients by addressing additional unmet needs which enable them to achieve market differentiation and opportunities for higher margins. A complex generic has a complex active ingredient, complex formulation, complex route of delivery, or complex drug device combinations.

**Developed markets**

**Developed markets – Pharmaceutical spending and growth (US\$ Billion)**

Region/Country	2020	2016-2020 CAGR	2025	2021-2025 CAGR
USA	527.8	4.2%	605-635	2-5%
EU5	180.4	4.4%	215-245	2-5%
Germany	54.9	5.3%	65-85	3.5-6.5%
France	36.3	2.4%	43-47	1-4%
Italy	33.3	4.2%	38-42	2-5%
UK	30.2	5.3%	38-42	2.5-4.5%
Spain	25.7	4.6%	28-32	1.5-4.5%
Japan	88.2	(0.2)%	75-95	(2)-1%
Canada	22.8	4.8%	28-32	2-5%
South Korea	16.2	6.8%	18-22	4.5-7.5%
Australia	11.8	3.3%	13-17	1-4%
Other Developed	112.3	4.2%	125-155	2.5-5.5%
<b>Developed markets</b>	<b>959.5</b>	<b>3.8%</b>	<b>1130-1160</b>	<b>1.5-4.5%</b>

Source: IQVIA Market Prognosis

**The US**

USA, the world’s largest pharmaceutical market saw a ~4% CAGR from 2016-20 to reach US\$527.8 Billion. This market is expected to grow at a 2%-5% CAGR to reach US\$605-645 Billion by 2025. At the net level, rising discounts and rebates are expected to slow spending growth over time. Additionally, ongoing market dynamics around the use of medicines, the adoption of newer treatments, the impact of patent expiries, and new generic or biosimilar competition will contribute to historically slow market growth in the US for the next five years.

**European Union (EU5)**

The top five European Union (EU5) markets grew at a 4.4% CAGR from 2016-20 to reach US\$180.4 Billion and is projected to grow at about 2-5% CAGR to US\$215-245 Billion by 2025. Medicine spending in the top five European markets is expected to increase by US\$35 Billion over the next five years, registering the same increase as in the past five years but with substantial shifts in the drivers of growth. Generics, including biosimilars, are expected to add over US\$31 Billion to the market size over the next five years, as a range of patent expiries, and the maturation of biosimilars contribute to lower overall spending.

**Japan**

The market has witnessed marginal decline of 0.2% from 2016-20 to reach US\$88.2 Billion; and is projected to progress at around (-2)-1% CAGR to US\$75-95 Billion

by 2025. In 2020, the market was impacted by both the COVID-19 pandemic and price-cuts, which took effect in April 2020. Going forward, rising spending on patent-protected original brands coinciding with policies will encourage a shift to generics for older medicines.

**Australia**

The Australian market grew by 3.3% from 2016-20 to reach US\$11.8 Billion and is projected to grow at around 1-4% CAGR to US\$13-17 Billion by 2025. The major factors likely to drive the market growth during the forecast period are the growing burden of chronic diseases and the rising geriatric population, along with the rising investments in research and development expenditure for novel therapeutics in Australia. Generic substitution rates in Australia are lower than most comparable countries, which the government views as an opportunity to promote generic use. The future of generic drug supply via the pharmaceutical benefits scheme (PBS) is important to allow consumers access to medications at the lowest possible price and to provide space for PBS listing of new and expensive drugs.

In January 2021, the Therapeutic Goods and Administration approved the COVID-19 vaccine developed by Pfizer and BioNTech. In addition, the Australian government has gone under nearly four agreements where it has invested around AUD 3.3 Billion to support the supply of vaccines in the country.

**Pharmerging markets**

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

Region/Country	2020	2016-2020 CAGR	2025	2021-2025 CAGR
China	134.4	4.9%	170-200	4.5-7.5%
Brazil	28.7	10.7%	43-47	7.5-10.5%
India	22	9.5%	28-32	7.5-10.5%
Russia	17.5	10.8%	33-37	11-14%
Other Pharmerging	89.1	9.6%	120-150	8.5-11.5%

Source: IQVIA Market Prognosis

**China**

The Chinese market grew by 4.9% between 2016-20 to reach US\$134.4 Billion and is projected to grow at around 4.5-7.5% CAGR to US\$170-200 Billion by 2025. China’s growth remains the largest in this group of countries, driven by a shift from the use of traditional Chinese medicines to new medicines. Over the next five years, the Chinese government policies will update the national reimbursement drug list (NRDL) more frequently, hence contributing to a greater share of new original medicines being reimbursed, resulting in higher levels of spending.

**Africa**

Africa’s pharma market is complex and demonstrates an industry-leading growth pattern. The African pharma

market, valued at US\$24 Billion in 2019 and expected to grow to US\$45-65 Billion by 2030. It is driven by increasing urbanisation and the rapid expansion of primary healthcare, offering significant opportunities for pharmaceutical companies. Africa remains one of the most underpenetrated pharmaceutical markets in the world and is poised for growth in the coming years. 5 of the 12 fastest-growing economies in the world are in Africa. Rising industrialisation and urbanisation are leading to a rise in the per capita income. 26 of Africa’s 54 countries have achieved middle-income status. Increased penetration of health insurance is also taking place in many high-growth countries, such as Kenya.

**About Strides Pharma**

Incorporated in 1990, Strides Pharma Science Limited (Strides), listed on the BSE Limited and National Stock Exchange of India Limited, is a global pharmaceutical company. We primarily operate in the regulated markets of the US, Canada, the UK, European Union, Australia, South Africa, and the emerging markets of Africa. We also have an institutional business to service donor-funded programmes.

We have built a robust research and development platform at Strides to facilitate 50+ filings annually across the markets where we operate focussing on niche and technically complex offerings.

With eight manufacturing units located in India (Bengaluru—two sites, Puducherry, and Chennai), Singapore, Italy (Milan), the US (Florida) and Kenya (Nairobi), we focus on ‘difficult to manufacture’ products and reach 100+ countries

We manufacture a wide range of niche and technically complex pharmaceutical products, including a range of dosage forms such as, liquids, creams and ointments, soft gels, sachets, tablets, and modified release dosage formats. We are among the leading soft gelatin capsule manufacturers globally.

Our production units enjoy approvals from various global regulatory agencies such as the US Food and Drug Administration (US FDA), the Medicines and Healthcare Products Regulatory Agency (MHRA), the Therapeutic Goods Administration (TGA), World Health Organisation (WHO) and the Pharmaceuticals and Medical Devices Agency (PMDA).

**Regulated markets: Continue to gain momentum**

Through this business vertical we reach the regulated markets of the US, other parts of Europe, UK, Nordics, DACH region, South Africa, and Canada. We are a strategic supplier to the Australian market with our preferred supplier contract with Australia’s pharmaceutical behemoth, Arrotex.

Our revenue from this business segment grew 21% y-o-y from to ₹22,027 Million in FY 2019-20 to ₹26,636 Million in FY 2020-21. With over 80% of our consolidated revenues coming from this segment, it remains a key focus area for us.

**80%+**

Of consolidated revenues represented by regulated markets

**US: Steady performance, despite headwinds**

Our US business witnessed a stable momentum, as we are steadily building the front-end and simultaneously tapering the partner business. Today, the front-end contributed ~86% of the revenues from this segment.

**US business in FY 2020-21**

<b>₹15,936</b>	<b>130</b>	<b>100</b>
Million Revenue	Cumulative ANDAs filed	Cumulative ANDAs approved
<b>11</b>	<b>16</b>	<b>6</b>
ANDAs filed	ANDAs approved	Products launched

The US continues to be the world's largest and most attractive pharmaceutical market, dominating trends in consumption and development, even as pricing remains a moot point there. Despite structural changes in the US market, it continues to be our largest pharma market. Our front-end business in the US is run through our subsidiary, Strides Pharma Inc., providing quality healthcare products to the market in prescriptions, private-label over-the-counter (OTC) and consumer health products.

Our US franchise has reached a critical size and operates a US\$215 Million business with 130 ANDAs filings, of which 100 are approved by the USFDA. The US commercialised portfolio contains several products, where we are amongst the market leaders.

During FY 2020-21, the business generated healthy operating performance, despite an extremely weak flu season which impacted our winter portfolio. We continue to witness price erosion for our portfolio, while both patient footfalls at hospitals and pharmacies continue

to remain below pre-COVID-19 levels, leading to subdued demand for few products. Our focused product selection strategy with relentless focus on supply commitments along with customer advocacy and continued investment in R&D portfolio will drive stable growth.

**FY 2020-21 achievements**

- Reported growth driven by improved revenue contribution from base molecules, new launches and Veteran Affairs (VA) business leveraging our Singapore facility
- Benefited from the proactive strategy to blitz scale when most incumbents are downsizing or exiting
- Strengthened our executive management team to enable our next level of growth with the addition of top-notch pharma leaders with vast industry experience
- Maintained superior customer advocacy through focus on building in-market safety stocks and supply chain efficiencies, with a very low historical Failure to Supply (FTS)

**Strategy for future**

Existing business	<ul style="list-style-type: none"> <li>• New launches to drive growth in the base business with continued ramp up in frontend while partnered business will relatively downsize by design</li> <li>• Tapping the VA opportunity through Singapore facility (commenced) and local manufacturing in the US will add a new lever to the growth trajectory</li> </ul>
Monetise attractive pipeline	<ul style="list-style-type: none"> <li>• Robust R&amp;D pipeline for expanding portfolio in the US with focus on middle of the pyramid products</li> <li>• Target to file 10-15 new ANDA's in niche domains each year</li> </ul>
Speciality segment	<ul style="list-style-type: none"> <li>• Focus on creating a speciality generics strategy led by in-licensed opportunities</li> <li>• Drive strategic partnerships with R&amp;D organisations with a keen focus on developing speciality generics to solve for unmet patient needs</li> </ul>
Private label & CHC	<ul style="list-style-type: none"> <li>• Focus on building an 'in market for market' private label business leveraging our portfolio of products</li> <li>• Leverage our product development and local manufacturing capabilities in US</li> </ul>
Sterile injectables	<ul style="list-style-type: none"> <li>• Re-entry into Steriles with lesser products, lighter infrastructure yet more valuable business</li> <li>• Kick-start programmes with in-licensed products</li> <li>• Positioned to utilise high quality manufacturing within group</li> </ul>

**Other regulated markets: Continued momentum, growth outlook robust**

Other regulated markets for us include all regulated markets apart from the US. A large and fungibility regulated market portfolio allows us to have a strong presence in Canada, the UK, Europe, South Africa, Australia (through our partnership with Arrotex).

**Other regulated markets business in FY 2020-21**

<b>₹10,700</b>	<b>18</b>	<b>16</b>
Million Revenue	New products filed	Products received approvals

**UK**

We continue to serve the UK through our subsidiary Strides Pharma UK Limited. The UK market is one of the largest markets in the region and represents a US\$11 Billion generic opportunity. We have the ability to tap multiple distribution channels for Rx and OTC products – Direct wholesalers, NHS supplies and Clinical commissioning groups (CCG). Our offerings in the region include high-quality generics and heritage OTC brands in this market

**Europe**

With Europe's multi-cultural and multi-government set-up, it has a dissimilar, region-specific pharmaceutical market. We are leveraging this market condition primarily through market fungibility under our portfolio maximisation strategy. We are steadily building our presence in Europe, the Nordic countries and DACH region. We are using portfolio maximisation as a key tactic in the major European and DACH markets we serve through our own frontend. We are also using an IP led partnership model to expand our reach other parts of Europe.

**Australia**

We are a preferred long-term strategic supplier to Arrotex—the country's pharmaceutical behemoth with 60% of the market share—after exiting direct market in FY 2019-20. Our relationship with Arrotex spans across a large basket of products. We have multiple TGA approved sites including a dedicated plant in India to cater to the Australian market.

**South Africa**

Valued at US\$3.4 Billion, South Africa is the largest pharma market in Sub-Saharan Africa. As a highly compliance-drive market, it is not-readily accessible

to all players and we entered the market through our acquisition of Trinity Pharma in FY 2017-18.

At South Africa, we are building a strong base with portfolio maximisation to improve our IP landscape. We are further leveraging the distribution channels through pharmacy chains. We are also participating in the local antiretroviral (ARV) and non-ARV opportunities, as we steadily increase our reach.

**Canada**

Canada's pharma market offers an US\$7 Billion opportunity. We are growing organically in the country by building a greenfield business across generics, private label OTCs and branded OTC extension from our portfolios in other markets as we continue to leverage our portfolio in the US and Australia. We remain committed to steadily accelerate the hybrid R&D model that is responsive to global regulatory needs, quality compliances and flexible manufacturing including the Canadian market.

**FY 2020-21 achievements**

- Delivered a strong performance across all other regulated markets led by portfolio expansion and strengthening of frontend presence
- Continued ramp up of supplies to Arrotex in Australia driven by increased volumes and expansion of product offerings
- Pick up in filing momentum for other regulated markets through continued investments in R&D, filed 18 new products and received 16 approvals
- Healthy order book and portfolio expansion to drive growth in FY 2021-22

### Strategy for future

Base business	<ul style="list-style-type: none"> <li>Move from B2B to B2C while focusing on key partnerships in select territories</li> <li>Strengthen presence in mature markets through portfolio expansion and capitalising on front end presence</li> </ul>
Portfolio	<ul style="list-style-type: none"> <li>Leverage portfolio maximisation strategy through front end presence and strategic partnership in key regulated markets</li> <li>Leverage large and established base portfolio to drive near-term growth</li> </ul>
Supply chain	<ul style="list-style-type: none"> <li>Continued focus on quality compliance and manufacturing flexibility to support growth across markets</li> <li>Superior supply chain execution with ability to backward integrate products to our manufacturing platform</li> </ul>
Research & development	<ul style="list-style-type: none"> <li>Accelerate hybrid R&amp;D model for developing products cutting across multiple geographies</li> <li>Strong regulatory filing capability across key regulated markets to drive new product introductions</li> </ul>
Supply contract	<ul style="list-style-type: none"> <li>10 year preferred supply contract with Arrotex representing 60% of generic market in Australia</li> <li>Multiple TGA approved sites to backward integrate products and supply to Australian mar</li> </ul>

### Emerging markets: Strong bounce back in emerging markets, TLD commercialised

This segment includes our Africa operations and institutional business representing 20% of our consolidated revenues.

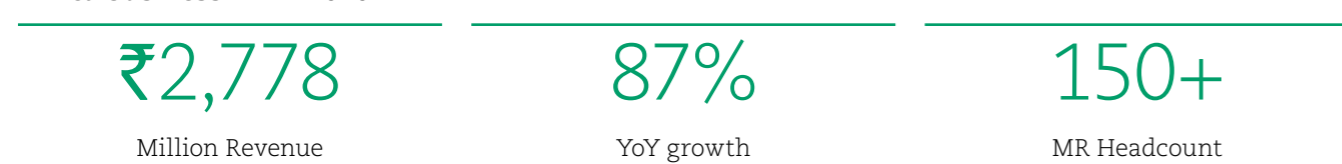
During the year, the institutional business delivered a healthy growth, benefiting from the successful commercialisation of Tenofovir, Lamivudine and Dolutegravir (TLD) combination. Moreover, the country specific registrations for TLD remains on track. Despite COVID-19 related headwinds, our Africa business returned to growth during FY 2020-21 on a lower base

with a sharper focus on supply chain execution. We continue to emphasise introduction of new products and line extensions to our branded Africa business, alongside relentless focus on improved medical representative (MR) productivity to drive growth.



### Africa

#### Africa business in FY 2020-21



We forayed into Africa in the early 1990s and since then having catering to its unmet requirements. Our objective is to be an important player in key African markets with a focus on building a robust branded generics portfolio for chronic therapies, women's health, Central Nervous System (CNS), cardiovascular, diabetes, dermatology and probiotics. We are helping improve the quality of life in these evolving economies by providing therapeutically effective, high-quality medication, as our brand finds resonance among doctors and at the community level locally.

With our 'In Africa For Africa' strategy, we have access to a WHO-approved manufacturing unit in Kenya to maximise our local development. We are growing as a pan-African player and are capitalising on our on ground field force and digital platforms to stay connected with pharmacies and doctors. We offer an extensive portfolio with established brands such as Renerve, Unibrol, Combiart, Duotab and Vitafer in Africa. We are also building a robust product registration pipeline to deliver a sustainable growth.

### FY 2020-21 achievements

- Returned to growth during FY 2020-21 on a lower base with a sharper focus on supply chain execution
- Emphasised widening the reach in selected geographies
- Introduced new products, including line extensions for existing products to drive growth
- Improved MR productivity in Africa business to drive margin expansion

### Strategy for future

- Maintain the rate of our new product introductions in the market, including line extensions for existing products
- Expand penetration into high-growth markets, implement better field force activities through modern technologies and improve targeting of key opinion leaders and specialists brand loyalist
- Focused on growing the branded generics business in Africa by leveraging digital platforms to stay connected with pharmacies and doctors
- Improve Per Capita Per Month (PCPM) and efficiency of our business along with maintaining channel hygiene will be the key priorities for us

### Institutional business

#### Institutional business in FY 2020-21



With our objective of making quality medication available globally to patients at an affordable cost, we develop and manufacture drugs for institutionally funded aid projects and global procurement agencies. Our product portfolio in this segment includes ARV, anti-malarial, and other infectious disease. They reach over several countries in disease-prone regions in Africa.

Institutional business remains strategically important as we are an approved supplier to institutionally funded aid projects and Global Procurement Agencies like (United States Agency for International Development) USAID, Global Fund, President's (the US) Emergency Plan for AIDS Relief (PEPFAR), UNICEF, WHO, Pan American Health Organisation (PAHO), United Nations Development Program (UNDP), Population Services International (PSI), Chemeonics, Partnership for Supply Chain Management (PFSCM), among others.

Our products for the institutional business are produced in our Bengaluru facility (with multiple regulatory approvals) and the WHO-approved Kenyan facility. Our plant in Kenya also serves global donor agencies and local African governments. We are working towards strengthening our R&D initiatives to develop next-

generation products. We continue to collaborate with donor agencies to make quality medicines available to the patient in emerging markets at affordable price.

### FY 2020-21 achievements

- Our R&D pipeline for the new regimen ARV's is on track with the first key product TLD received approval
- Delivered a healthy growth in FY 2020-21 benefiting from successful commercialisation of TLD and steady offtake by donor funding agencies
- Continue to focus on shifting our key products in institutional business from India to our manufacturing site in Nairobi, Kenya for an "In Africa for Africa" market play

### Strategy for future

- Poised to achieve planned outcomes on the ARV and malarial business driven by R&D pipeline and supply chain efficiencies
- Capitalise on TLD demand as it commands a significant share of the donor funding pool as the product has been included as a preferred first-line option among the current antiretroviral drug regimens

### Update on Stelis Biopharma (Stelis)

Stelis is a vertically integrated biopharmaceutical company offering end-to-end state-of-the-art CDMO services across all phases of pre-clinical and clinical development and commercial supply of biologics. It has recently forayed into Vaccine manufacturing with a capability to do multiple vaccine types. Its operations include R&D, process development, scale-up and end-to-end cGMP manufacturing capabilities from drug substance through drug product in all formats and packaging. Stelis' state-of-the-art research & development facility and 200,000 sq. ft. fully integrated cGMP manufacturing facility are located in Bengaluru, India.

Stelis has completed its incubation. Stelis is expected to break-even in FY 2021-22 and as it enters the growth phase it will need up to US\$100 Million, additionally to fund all its programmes over the next three years.

During FY 2020-21, The Russian Direct Investment with Fund (RDIF, Russia's sovereign wealth fund) partnered Stelis to produce, and supply a minimum of 200 million doses of the Russian Sputnik V vaccine sufficient to vaccinate 100 million people.

Toward the end of the fiscal, Stelis successfully concluded Series B and Series C fund raise for a cumulative amount of US\$155 Million. Post money valuation for Stelis will be pegged at ~US\$350 Million, underpinning the significant growth potential of the business. With the current capital raise, Stelis is now well positioned to pursue its growth initiatives and scale its business model to deliver promising returns in the coming years.

During the year under review, our Board of Directors approved in principle the demerger of Strides' biopharma business under Stelis enabling unlocking of significant value for Strides shareholders.

### Financial progress

#### Consolidated financial performance

Particulars	₹ in Million	
	FY21	FY20
Revenue	33,308	27,637
EBITDA	6,497	5,276
Adjusted PAT	3,090	2,341

#### Key ratios

Particulars	(number)	
	FY21	FY20
Debtors' turnover	3.00	2.95
Inventory turnover	1.11	1.43
Interest coverage	4.33	3.10
Current ratio	1.03	0.93
Debt equity	0.46	0.46
EBITDA margin (%)	19.5	19.1
Net profit margin (%)	9.9	8.7

#### A research-focused organisation

Our R&D initiatives including portfolio maximisation have been one of the key growth pivots over the last few years. We develop niche and differentiated products with focussed research efforts and have a Global Formulation R&D centre at Bengaluru. Our robust R&D infrastructure has 225+ people working towards building a global portfolio using latest technologies available in the pharmaceutical industry in our state-of-the-art R&D facility.

R&D at Strides is engaged in developing an expansive range of dosage formats including Oral solids, Oral liquids, Topicals-liquids, creams and ointments, Soft gels, Sachets and modified release dosage formats for both Regulated and Emerging Markets.

#### Strengthening the IT infrastructure

Over the years, we have built a robust IT infrastructure that ensures the highest levels of compliance and quality for our offerings. We have introduced automation in key departments such as research, quality compliance and manufacturing to maximise efficiency and reduce the scope for human errors. We have introduced IT systems in business functions such as material management, production planning and control, product Development Protocol, electronic Batch Manufacturing Record (eBMR) in Manufacturing Execution system (MES), reagents and solutions management, chromatography management system, BMR/BPR issuance and control, calibration management, change management and control, asset management, quality management and personnel management. We are also incorporating new-age technologies such as robotic process automation or machine learning to handle high volumes of transaction and routine tasks and pursuing new ways of applying these technologies in other business functions.

In the coming years, these technologies will help us: a) reduce the deployment cycle; b) perform mundane and repetitive tasks with more speed and precision with least human intervention; and c) allow crucial talent to devote more attention to core operations and improve efficiency.

Please refer to the advance technologies section on [PAGE 22 to 25](#) for detail coverage on information technology

#### People management

Strides has a global team of ~3,500 people who work in a diverse and harmonious work environment, with a transparent and open culture. We attract and retain the best talent and pursue a merit-based recruitment, rewards and recognitions policy. We support our people with adequate training for improving their skills and

motivate them to align their goals with organisational objectives, driving excellence.

As part of our transparent organisational culture, we conduct several communication sessions, where our top management connect with our global employee base. We also have an app-based tool for employee feedback and governance to encourage two-way communication across the organisation.

We adhere to the highest standards of ethical, moral and legal conduct of business operations. Our Whistle Blower Policy provides mechanism for the Directors, employees and stakeholders of our Company to raise concerns on any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, among others.

We have adopted a gender-neutral Prevention of Sexual Harassment (POSH) policy. We conduct adequate trainings, workshops and awareness programmes against sexual harassment across the organisation.

Please refer to the social section on [PAGE 30 to 31](#) on human resource management

#### Quality and compliance

At Strides, the emphasis is on achieving high benchmarks in the compliance curve. Our quality excellence programme provides clearly defined agendas concerning people, processes, products and technology. Our people are trained in advanced quality management through specific programmes, enabling the identification, reporting and rectification of quality concerns at Strides.

#### Risk management

At Strides, we acknowledge the fact that having a robust and pervasive risk-intelligent culture is essential for achieving the Company's stated objectives and build resilience for the future. We are consistently mapping the various levels of risks inherent in our business strategies and operations. The Board of Directors and the Senior Management are cognisant of the importance of equipping the employees with the necessary skills to navigate the complex risk-prone environment in the medium and long term.

Strides has institutionalised an Enterprise-wide Risk Management Programme and built a central team to provide oversight and guide the business teams on various emerging risks in the global markets where the Company operates. Through structured training programmes and workshops, employees are kept abreast with the leading risk management practices.

Effective risk management has also been made an integral part of individual KPIs to inculcate responsibility and accountability of people across various business units. We are committed to step up our investments in resources, tools and technologies that are globally acclaimed to make our risk-mitigation processes more data-driven and objective. These capabilities will help us build and equip our business with capabilities to sense and respond to emerging risks across our organisational ecosystem.

“The COVID-19 pandemic and the interconnected uncertainties that it brought up, has taught us that in risk management, it is no longer a question of “IF” something will go wrong, but “WHEN”. Our reputation as an organisation is measured by our resilience to respond to uncertainties. Strides is committed to minimising risk and maximising performance through our comprehensive approach towards risk management, which enables business and operations to take risk-informed decisions, manage crisis scenarios and build a risk-aware culture”

Sormishta Ghosh, Chief Risk Officer

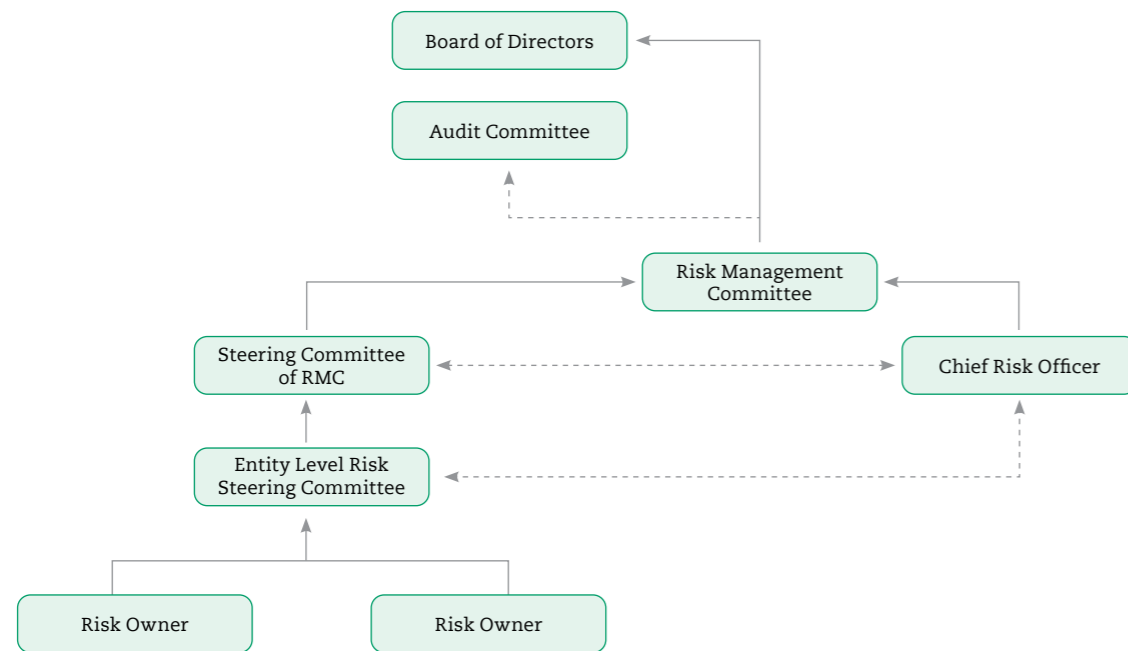
#### Management governance structure

Our risk management governance structure has been developed keeping in mind Strides Group structure, to ensure seamless integration of risk management process with the existing processes. To achieve the stated policy and ERM objectives, the Company has established three levels of risk management responsibilities: Risk Oversight, Risk Infrastructure & Management and Risk Ownership.

- The Board of Directors of the Company have the overall governance oversight responsibility with respect to ERM. The Board will be responsible to review the risk management policies and processes, define and review the risk appetite of the Company and provide direction to the management with respect to its ERM Practices
- The Board has delegated the roles and responsibilities for risk governance and oversight to Risk Management Committee (RMC) of the Board and Audit Committee
- Further, Group Level Steering Committee of RMC is formulated and Entity Level Risk Steering Committees for each entity will be formulated, whose roles and responsibilities shall be governed as per their approved charters
- We have appointed a Chief Risk Officer to assist the RMC and Steering Committee of RMC in risk monitoring and reporting process

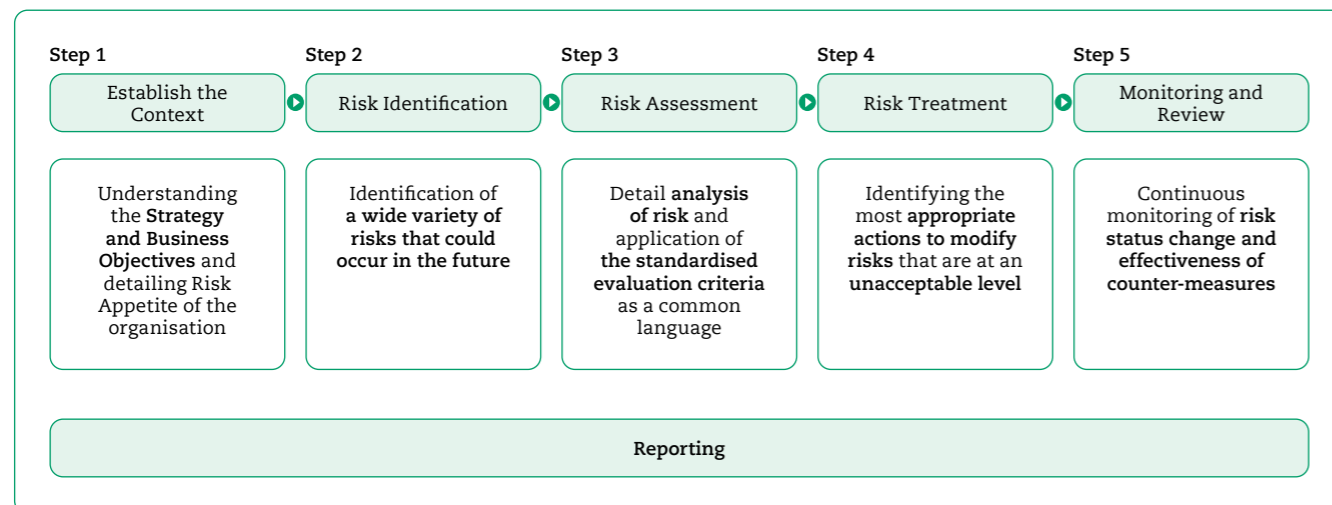


Comprehensive risk oversight



Five steps risk management process

In order to manage risks in a systematic manner, Strides has followed the ERM framework to effectively manage uncertainty, respond to risk and exploit opportunities as they arise. In the context of Strides, ERM is followed process that encompasses all the basic elements of ERM process steps and components put forth as per ISO 31000: 2018.



Inherent and residual risks

Very High Risk	High Risk
1. Regulatory compliance and regulatory actions	1. Product Approval and Supply
2. Patient safety and product efficacy	2. Cyber Risk
3. Supply chain disruptions	3. Contract Management
	4. Changes in market dynamics in key markets
	5. Cost Competitiveness
	6. Statutory Compliance
	7. Confidential Information
	8. Merger & Acquisition
	9. Inaccurate gross to net calculations
	10. Lack of succession planning for key positions Liquidity and Working Capital
	11. Business Continuity – EHS Disasters and possibility of lock down of operations

Risk-management approach for COVID-19

- Conducted COVID-19 related audits for plants and are constantly monitoring/reviewing the mitigation plans and their implementation
- Checked readiness for business units and various functions, including sites against the pandemic situation such as sanitation, WFH which continues today
- Benchmarked our practices against the good practices followed and adopted by similar and other industries
- Re-evaluated emerging risks in the backdrop of the second wave of COVID-19.

Internal control systems and adequacy

The Company's advanced IT infrastructure ensures adequate internal controls over business processes and practices. This internal control system provides reasonable assurance about the integrity and reliability of financial statements. Moreover, the Company has an active in-system audit programme, supported by Grant Thornton, which regularly encompasses various operations consistently. Our Audit Committee reviews internal audit observations regularly.

# Board's Report

Dear Members,

On behalf of the Board of Directors of the Company, it gives us immense pleasure in presenting the 30<sup>th</sup> Board's Report, along with the Audited Financial Statements (Consolidated & Standalone) for the financial year ended March 31, 2021.

## 1. Financial performance

The Company has prepared the consolidated and standalone financial statements for the financial year ended March 31, 2021, in accordance with the Indian Accounting Standards (Ind AS) as prescribed under the Companies Act, 2013.

Key highlights of financial performance of the Company for the financial year ended March 31, 2021 as compared to previous year is provided below:

(Figures in Million)

Particulars	Consolidated Basis				Standalone Basis			
	FY 2020-21		FY 2019-20		FY 2020-21		FY 2019-20 (Restated)#	
	INR	USD*	INR	USD**	INR	USD*	INR	USD**
<b>1.1 Financial</b>								
<b>Continuing Operations</b>								
Income	33,672.97	460.34	28,050.84	372.32	19,465.62	266.11	17,850.03	236.93
Operating Profit (EBITDA)	6,862.57	93.82	5,690.11	75.53	2,763.16	37.77	2,975.28	39.49
Net Profit (PAT)	2,437.88	33.33	433.57	5.75	782.40	10.70	1,202.75	15.96
Other Equity	26,869.80	367.33	24,378.52	323.58	31,583.77	431.78	30,692.21	407.38
Non-Controlling Interest	373.41	5.10	672.38	8.92				
<b>1.2 Profits</b>								
<b>Operating Profit (EBITDA)</b>	6,862.57	93.82	5,690.11	75.53	2,763.16	37.77	2,975.28	39.49
Less:								
Finance Cost	1,500.65	20.52	1,557.20	20.67	653.39	8.93	668.43	8.87
Depreciation & Amortisation	2,062.87	28.20	1,737.02	23.06	993.42	13.58	942.40	12.51
Exceptional Items (gain)/loss	(433.53)	(5.93)	776.80	10.31	-	-	-	-
<b>Profit Before Tax</b>	3,732.58	51.03	1,619.09	21.49	1,116.35	15.26	1,364.45	18.11
Share of profit / (loss) of joint ventures and associates	(978.19)	(13.37)	(1,072.29)	(14.23)				
<b>Profit Before Tax</b>	2,754.39	37.65	546.80	7.26	1,116.35	15.26	1,364.45	18.11
Less: Tax Expenses	316.51	4.33	113.23	1.50	333.95	4.57	161.70	2.15
<b>Profit After Tax</b>	2,437.88	33.33	433.57	5.75	782.40	10.70	1,202.75	15.96
Profit/ (Loss) from Discontinued operations	139.41	1.91	(127.61)	(1.69)	-	-	-	-
<b>Total Profit</b>	2,577.29	35.23	305.96	4.06	782.40	10.70	1,202.75	15.96
<b>Other Comprehensive Income</b>								
Items that will not be reclassified to profit/ (loss) (Net of Tax)	90.38	1.24	(138.92)	(1.90)	(15.19)	(0.21)	(20.06)	(0.27)
Items that may be reclassified to profit/ (loss) (Net of Tax)	75.17	1.03	509.62	6.97	254.44	3.48	(336.08)	(4.46)
<b>Total Other Comprehensive Income (Net of Tax)</b>	165.55	2.26	370.70	5.07	239.25	3.27	(356.14)	(4.73)
<b>Total Comprehensive income</b>	2,742.84	37.50	676.66	9.25	1,021.65	13.97	846.61	11.24
<b>Dividend on Equity Shares</b>								
Final & Interim Dividend (including taxes)	(179.14)	(2.45)	(1,563.01)	(20.75)	(179.14)	(2.45)	(1,563.01)	(20.75)

Notes:

\* 1 USD = ₹73.15 (Exchange Rate as on March 31, 2021)

\*\* 1 USD = ₹75.34 (Exchange Rate as on March 31, 2020)

# Standalone figures of previous year have been restated to give effect to the Scheme of Amalgamation between Strides Pharma Science Limited and its subsidiaries namely, Strides Emerging Markets Limited, Arrow Remedies Private Limited and Fagris Medica Private Limited.

## 2. Company's performance

FY 2020-21 has been a difficult year for all of us with COVID-19 posing significant challenges all through the year. The pandemic did have an impact on our people and business too. We are grateful to all our employees and their families for their dedication and commitment to the Company during this pandemic. We are deeply saddened by loss of few of our colleagues in the second wave of the pandemic. We continue to pursue a People First approach, giving top priority to the safety and wellbeing of our employees.

We have taken several initiatives to support our work force through these challenging times. We are providing financial support to secure honorable living for families of deceased employees due to COVID-19. We have introduced free vaccination program for all employees and their families. We have expanded insurance coverage for COVID-19 over and above the regular medical insurance offered by the Company. We are providing medical assistance for impacted employees and their families including hospital admissions and support for treatment. We have set up a 24x7 COVID-19 helpline assisting our employees with medications and counselling.

On the business front, we have delivered a healthy performance across all businesses amidst a tough operating environment. On a consolidated level, we have reported a strong financial performance during the year with 29% revenue growth to ₹33,308 Million while our EBITDA grew 67% y-o-y to ₹6,497 Million. EBITDA margins for the year was at 19.5 % expanding 450bps y-o-y despite a significant cost increase of ₹1,293 Million from logistics and Failure to Supply, largely owing to COVID-19 related disruptions.

Our regulated markets business, which now contributes around 80% of revenues, has seen significant ramp up in FY 2020-21 growing 21% y-o-y in-line with the outlook we had provided during the year. Our emerging markets business witnessed a bounce back in FY 2020-21, albeit on a lower base.

### Regulated markets

The regulated markets vertical comprising of businesses in the US and other regulated markets, including the UK, the EU, Canada, Australia and South Africa, witnessed an encouraging growth during the year.

Despite COVID-19 related headwinds and discontinuation of Ranitidine, regulated markets delivered a strong 21% y-o-y growth during the reporting year. With over 80% of Company's consolidated revenues coming from this market, it remains the key growth pivot.

While the US business contributes 60% of the regulated markets business, other regulated markets have gained a critical size and contributes to 40% of the regulated markets revenues. Growth in this

business was driven by building frontend presence in key geographies, having strategic partnerships and leveraging existing regulated markets portfolio.

### US business

The US business contributed ₹15,936 Million (48%) to the total revenues of FY 2020-21, registering 17% growth over the last year. Our base molecules continue to witness healthy traction, new product launches and VA business have further bolstered our growth momentum for the US business, offsetting the price erosion impacts we faced in our portfolio. Winter portfolio continued to be impacted as there was no flu season in the US.

### Other regulated markets

Other regulated markets delivered a strong performance with 28% y-o-y growth in FY 2020-21. It contributed ₹10,700 Million (32%) to FY 2020-21 total revenues, with growth led by portfolio expansion and strengthening front-end presence. During the year, Strides witnessed a healthy ramp-up in the supply to Arrotex in Australia, driven by increased volumes and expansion of product offerings.

### Emerging markets

Emerging market business includes Africa operations (except South Africa) and institutional business. This business saw healthy performance in FY 2020-21 contributing ₹6,672 Million (20%) to FY 2020-21 consolidated revenues.

During the year, the institutional business delivered healthy growth, benefiting from the successful commercialisation of TLD (Tenofovir, Lamivudine and Dolutegravir) in H2 FY 2020-21, albeit at lower gross margins. The Africa business returned to growth during FY2020-21 on a lower base with a sharper focus on supply chain execution.

### Research & Development (R&D)

During the year, the Company continued to invest in R&D to build strong product portfolio for the global markets. R&D investment during the year were at ₹1,106 Million. Since April 2020, Strides has filed 11 ANDAs and received the approval for 16 ANDAs in the US. Six products were launched during the year in the US market. Currently, the Company has 130 ANDAs filed with the USFDA, of which 100 ANDAs are approved. Filing momentum is expected to pick up in FY2021-22. For the other regulated markets, Strides had filed for 18 new products and approval has been received for 16 products during the reporting year. The Company shall continue to invest in R&D to enrich its portfolio in other regulated markets.

### Outlook

In the near term the operating environment continues to be challenging and uncertain. The Company continues to adopt the 'People First' approach to protect the health and wellbeing of its teams. Strides believes that the resilience within the organisation

and the strength of its product portfolio will help to navigate these turbulent times. With a more focused approach and a sharper execution, the Company will continue to deliver a strong revenue and profitability CAGR with superior cashflows and return on capital employed over the next three years horizon.

### 3. Dividend for FY 2020-21

Based on the Company's performance, the Directors are pleased to recommend for approval of the Members, a dividend of ₹2.50/- per equity share (i.e. 25% of face value of ₹10/- each for the financial year ended March 31, 2021.

Dividend payout has been determined in accordance with the Dividend Distribution Policy of the Company. Record Date for the Dividend is Friday, August 6, 2021. Dividend, if approved by shareholders, will be paid within 30 days from the date of approval.

In terms of Regulation 43(A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the Dividend Distribution Policy is available on the Company's website and can be accessed at <http://www.strides.com/investorcommitteboard.html>

### 4. Transfer to Reserves

Movement in Reserves and Surplus during the financial year ended March 31, 2021, is provided in the Statement of Changes in Equity included in the Consolidated and Standalone Financial Statements (Refer Page 126 and 232, respectively).

### 5. Corporate Updates

During the year under review, your Company has undertaken the following key corporate actions:

#### A) Scheme of Amalgamations involving wholly-owned subsidiaries

##### Amalgamation of Arrow Remedies, Fagris Medica and Strides Emerging Markets into the Company

During the year, Company's direct/step-down wholly owned subsidiaries viz., Arrow Remedies Private Limited (Arrow), Fagris Medica Private Limited (Fagris) and Strides Emerging Markets Limited (SEML) (collectively 'Transferor Companies') amalgamated into the Company pursuant to a Scheme of Amalgamation under Section 230 to 232 of the Companies Act, 2013 (Scheme).

Scheme received approval of the Hon'ble National Company Law Tribunal (NCLT) Bench of Bengaluru (for SEML) on May 28, 2020 and NCLT Mumbai (for the Company, Arrow and Fagris) on November 06, 2020.

Appointed Date for the said amalgamation was April 01, 2019 and Effective Date pursuant to the regulatory filing with the Registrar of

Companies/ Ministry of Corporate Affairs is December 01, 2020.

Consequent to the Amalgamation, investments in the share capital of the Transferor Companies appearing in the books of account of the Company and its indirect wholly-owned subsidiary stands cancelled.

##### Proposed Amalgamation of Vivimed Life Sciences into the Company

In January 2020, Board of Directors of the Company approved the Scheme of Amalgamation for merger of its wholly owned subsidiary, Vivimed Life Sciences Private Limited (Vivimed) into the Company pursuant to the provisions of Section 230 to 232 of the Companies Act, 2013 (Scheme).

Subsequently, in October 2020, the registered office of Vivimed was shifted from the State of Telangana to the State of Maharashtra.

In view of the above, the Scheme was updated and an amended Scheme was approved by the Board of Directors of the Company on October 29, 2020.

Appointed Date for the said amalgamation is October 01, 2020 or such other date as the NCLT or such other competent authority may direct in relation to the amalgamation of Vivimed with Strides.

The Scheme is subject to approval of the shareholders and creditors of respective companies and approval of the Hon'ble NCLT and other statutory/ regulatory approvals, as may be required. Procedural activities in this matter is underway.

#### B) Demerger of Strides Biopharma Business under Stelis

In February 2021, the Board of Directors of the Company in principle approved demerger of its biopharma business into Stelis and to list Stelis as a separate entity through a Scheme of Arrangement.

Driven by strong visibility in CDMO services and Vaccine business, the demerger is expected to unlock significant value for Strides' shareholders upon Stelis' listing.

As part of the proposed demerger process, Strides shall distribute the shares held in Stelis to the Members of Strides at a swap ratio to be arrived at.

In order to explore various options of value discovery including listing of the biopharma

business of the Company on a standalone basis under Stelis, the Board of Directors of the Company have formed a Committee of Directors who shall recommend the proposals to the Audit Committee, Committee of Independent Directors and Board including the Scheme, swap ratio and way forward.

The transaction is subject to consent of the Board of Directors, approval from shareholders, regulators, meeting customary closing conditions.

Further, given the significant value creation at Stelis, Strides' Board also considered retaining a minority treasury investment of upto USD 14 Million in Stelis, thereby enabling it to participate in the growth phase and to recoup capital.

The said minority treasury investment shall be made by a Wholly owned subsidiary of Strides on such terms and conditions as mutually agreed between Strides, WOS and Stelis.

#### C) Update on Stelis Biopharma Private Limited (Stelis)

Stelis Biopharma, the biopharmaceutical division of Strides was established to drive a global affordable biopharma business.

Strides along with other strategic shareholders have over the last many years enabled Stelis to build a world class biotech platform. Stelis is now getting into its growth phase and is witnessing strong customer traction for its CDMO offerings including Vaccines.

##### Key developments at Stelis during the year were as follows:

###### Funding at Stelis

- During the year, Strides completed its committed investment of USD 40 Million into Stelis.
- In March 2021, Stelis concluded a USD 155 Million Series B and Series C fund raise from existing and marquee long term investors as primary investment.

Funding round was co-led by Family office of Strides' Promoters and TPG Growth, one of the world's largest private equity firms, apart from attracting marquee international investors like Route One, Think Investments and the iconic Indian family office of the Mankekar's.

Proceeds under the capital raise shall be utilised to advance Stelis' growth and scale up its business model.

##### Secondary Placement at Stelis

- In addition to the above primary investment, TPG Growth also acquired majority of GMS' holdings in Stelis for about USD 40 Million.

### 6. Board of Directors and Key Managerial Personnel of the Company

As at the date of this Report, the Board of the Company comprises of Eight Directors – Two Executive Directors and Six Non-Executive Directors of whom Four are Independent Directors, details of which is provided below:

#	Name	Designation
<b>Non-Executive Directors</b>		
1	Arun Kumar	Non-Executive Director & Chairperson of Board
2	Deepak Vaidya	Non-Executive Director & Chairperson of Stakeholders Relationship Committee
3	S Sridhar	Independent Director & Chairperson of Audit Committee
4	Bharat D Shah	Independent Director & Chairperson of Nomination & Remuneration Committee
5	Homi Rustam Khusrokhhan	Independent Director & Chairperson of Risk Management Committee
6	Dr. Kausalya Santhanam	Independent Director & Chairperson of CSR Committee
<b>Executive Directors</b>		
7	Dr. R Ananthanarayanan*	Managing Director & CEO
8	Badree Komandur*	Executive Director – Finance & Group CFO
<b>Company Secretary</b>		
9	Manjula Ramamurthy*	Company Secretary

\*KMP of the Company

At the 29<sup>th</sup> Annual General Meeting (AGM) of the Company held on August 20, 2020, the following appointment/ re-appointment of Directors were approved by the Members:

- 1) Re-appointment of Mr. Arun Kumar (DIN: 00084845), retiring director, as a non-executive director effective April 01, 2020;
- 2) Appointment of Dr. Kausalya Santhanam as a Non-Executive Independent Director of the Company for a period of five years effective December 11, 2019.
- 3) Appointment of Dr. R Ananthanarayanan as a Managing Director & Chief Executive Officer of the Company effective January 9, 2020 for a period of five years and approving his remuneration;

4) Re-appointment of Mr. Badree Komandur as an Executive Director -Finance & Group CFO of the Company effective May 18, 2020 for a period of three years and approving his remuneration.

Except as stated above, there were no change in the Board of Directors and KMPs of the Company during the year.

**Appointment, Re-appointment & Retirement by Rotation of Directors**

**Re-appointment of Mr. Bharat Shah**

Based on the recommendation of the Nomination and Remuneration Committee and Board of Directors on May 10, 2021, the Company has sought Members approval for re-appointment of Mr. Bharat Dirajlal Shah (DIN: 00136969) as an Independent Director of the Company for a second term of three years commencing from June 15, 2021 upto June 14, 2024, through Postal Ballot.

Remote e-voting for the said proposal ends on June 11, 2021. The Company shall publish the result of the same on or before June 13, 2021.

**Retirement by Rotation & Reappointment of Mr. Deepak Vaidya**

Proposal for re-appointment of Mr. Deepak Vaidya, retiring director, as Non-Executive Director of the Company shall be placed before Members of the Company at the ensuing AGM.

Your Directors recommend his reappointment on the Board of the Company.

Disclosures pertaining to Director being re-appointed as required under the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India is provided in the explanatory statement to the Notice convening the 30th AGM of the Company for reference of the Members.

**7. Meetings of the Board and Board Committees**

Details of meetings of Board and Board Committees held during the FY 2020-21 along with information relating to attendance of each of the directors/committee members at meetings are provided in the Corporate Governance Report, which forms part of this Annual Report.

**8. Share Capital  
Authorised Share Capital**

Authorised Share Capital of the Company as at March 31, 2021 is ₹1,883,700,000/- divided into 188,370,000 equity shares of ₹10 each.

There has been an increase in the authorised share capital of the Company pursuant to merger of direct/indirect wholly owned subsidiaries viz., Arrow

Remedies, Fagris Medica and Strides Emerging Markets (Transferor Companies) into the Company effective December 1, 2020 pursuant to a Scheme of Amalgamation under Section 230-232 of the Companies Act, 2013 (Scheme).

As per clause 10 of the Scheme, upon the Scheme becoming effective, the authorised share capital of the Transferor Companies shall be transferred to the Company and the Company's authorised share capital in terms of its Memorandum of Association and Articles of Association shall automatically stand enhanced from ₹1,767,500,000/- divided into 176,750,000 equity shares of ₹10/- each to ₹1,883,700,000 divided into 188,370,000 equity shares of ₹10/- each.

Accordingly, the authorised share capital of the Company was altered effective December 1, 2020.

**Issued, Subscribed and Paid-up Share Capital**

Issued, Subscribed and Paid-up Share Capital of the Company as at March 31, 2021, stood at ₹896,809,640/- divided into 89,680,964 equity shares of ₹10/- each.

There has been an increase in the paid-up share capital of the Company during the financial year on account of allotment of 115,500 equity shares consequent to exercise of employee stock options by employees.

**9. Subsidiary, Joint Ventures and Associate Companies**

Details of Subsidiaries, Joint Ventures and Associate entities as at March 31, 2021 are provided herein below:

Nature of Relationship	India	Overseas	Total
Subsidiaries	02	39	41
Joint Ventures	-	01	01
Associates	02	07	09
<b>Total</b>	<b>04</b>	<b>47</b>	<b>51</b>

During the year, Arrow Remedies Private Limited, Fagris Medica Private Limited and Strides Emerging Markets Limited merged into the Company effective December 1, 2020.

List of Subsidiaries, Joint Venture and Associate entities as at March 31, 2021 forms part of Form AOC 1, enclosed as **Annexure 1** to this Report.

**10. Accounts of Subsidiaries**

In accordance with Section 129 (3) of the Companies Act, 2013, the Company has prepared a consolidated financial statements.

A statement containing salient features of the financial statements of the Company's subsidiaries, joint ventures and associate companies as required in Form AOC 1 is enclosed as **Annexure 1** to this Report.

**11. Corporate Governance and Management Discussion and Analysis**

As per SEBI Listing Regulations, Corporate Governance Report along with the Auditor's Certificate thereon, and the Management Discussion and Analysis Report forms part of this report.

**12. Employee Stock Option Scheme**

During the year under review, Company had one Employees Stock Option Plan viz., Strides Employee Stock Option Plan 2016.

Statement giving detailed information on stock options granted to Employees under the Company's Employee Stock Option Plan as required under Section 62 of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 is enclosed as **Annexure 2** to this Report and is also available at <http://www.strides.com/investor-financial.html>

**13. Particulars of Employees**

The statement containing particulars in terms of Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report and is appended herewith as **Annexure 3** to this report.

As per the provisions of Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees is to be provided.

However, in terms of the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report, excluding the aforesaid information, is being sent to the Members of the Company and others entitled thereto.

The said information is available for inspection up to the date of the ensuing AGM. Any Member interested in obtaining a copy thereof, may write to the Company Secretary in this regard.

**14. Corporate Social Responsibility (CSR)**

Strides' community interventions primarily focuses on Health, Education and Employability, which are projects in accordance with Schedule VII of the Companies Act, 2013.

CSR Policy of the Company is available on its website and can be accessed at <https://www.strides.com/corporate-CSR.html>

A detailed report on the CSR activities undertaken during the FY 2020-21 is enclosed as **Annexure 4** to this Report.

**15. Loans, Guarantees or Investments**

Details of Loans granted, Guarantees given and Investments made during the year under review, covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Note no. 39 to the standalone financial statements in the Annual Report.

**16. Contracts or Arrangements with Related Parties**

All the transactions with related parties are in the ordinary course of business and at arm's length basis. Further, there are no materially significant related party transactions made by the Company which may have potential conflict with the interests of the Company.

Information on transactions with related parties pursuant to section 134(3)(h) of the Companies Act 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is attached as **Annexure 5** to this Report.

All the transactions with related parties are disclosed in Note no. 44 to the standalone financial statements in the Annual Report.

Policy for Governance of Related Party Transactions is available on the Company's website at <http://www.strides.com/investor-committeboard.html>

**17. Auditors and Audit Reports**

**Secretarial Audit Report**  
M/s. Gopalakrishnaraj H H & Associates, a firm of Company Secretaries in Practice (Certificate of Practice No: 4152) is the Secretarial Auditor for the Company.

The Secretarial Audit for the FY 2020-21, inter-alia, included audit of compliance with the Companies Act, 2013 (Act), and the Rules made under the Act, SEBI Listing Regulations amongst others.

The Secretarial Audit Report does not contain any qualifications, observations or adverse remarks and is enclosed as **Annexure 6** to this report.

**Statutory Auditors**

M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration no. 101248W/ W-100022) were appointed as Statutory Auditors of the Company for a period of 5 years at the 26<sup>th</sup> AGM of the Company to hold office till the conclusion of the 31<sup>st</sup> AGM of the Company.

The Auditors Report for the financial year ended March 31, 2021, is enclosed along with the financial statements in the Annual Report. The Auditors Report for the year ended March 31, 2021, does not contain any qualifications, observations or adverse remarks.

**Internal Auditors**

M/s. Grant Thornton Bharat LLP (formerly known as Grant Thornton India LLP) are the Internal Auditors of the Company.

During the year under review, Internal Auditors were satisfied with the management response on the observations and recommendations made by them during the course of their audit.

**Cost Auditors**

Pursuant to Section 148(1) of the Companies Act, 2013, Company is required to maintain cost records and accordingly such accounts and records are made and maintained.

Pursuant to Section 148(3) and the Companies (Cost Records and Audit) Rules, 2014, M/s. Rao, Murthy & Associates, Cost Accountants (Firm Registration No.: 000065), were appointed as the Cost Auditors of the Company for the Financial Year 2020-21.

**18. Internal Financial Controls**

The Company has in place adequate framework for Internal Financial Controls as required under Section 134 (5)(e) of the Companies Act, 2013.

During the year under review, such controls were tested and no material weaknesses in their design or operations were observed.

**19. Risk Management**

The Company has a risk management framework for the identification and management of risks.

In line with the requirement under the SEBI Listing Regulations, the Company has constituted a Risk Management Committee (RMC) comprising of members of the Board and Senior Management personnel. Composition of RMC is provided in the Corporate Governance Report, which forms part of this Report.

RMC is entrusted with the responsibility of overseeing strategic, operational and financial risks that the organisation faces, along with the adequacy of mitigation plans to address such risks.

Additional details relating to Risk Management are provided in the Management Discussion and Analysis report forming part of this Report.

**20. Other Disclosures**

**Nature of Business of the Company**

There has been no change in the nature of business of the Company during the year under review.

**Deposits**

The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013. Accordingly, no disclosure or reporting is required in respect of details relating to deposits.

**Whistle Blower Policy**

Pursuant to provisions of section 177(9) of the Companies Act, 2013 and SEBI Listing Regulations, the Company has a Whistle Blower Policy in place.

The said Policy provides appropriate avenues to the directors, employees and stakeholders of the Company to make protected disclosures in relations to the matters concerning the Company. The said Policy also establishes adequate mechanism to enable employees to report instances of leak or suspected leak of unpublished price sensitive information.

Audit Committee of the Company oversees implementation of the Whistle Blower Policy. During the year, Company has not received any protected disclosure.

Strides' Whistle Blower Policy is available on the Company's website and can be accessed at <http://www.strides.com/investor-committeboard.html>

**Policy on Directors Appointment and Remuneration (Strides Nomination and Remuneration Policy)**

The policy of the Company on Directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under Section 178 of the Companies Act, 2013 is available on the Company's website and can be accessed at <http://www.strides.com/investor-committeboard.html>

**Disclosure on compliance with Secretarial Standards**

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

**Insurance**

The assets/ properties of the Company are adequately insured against loss due to fire, riots, earthquake, terrorism, amongst others and against other perils that are considered necessary by the management.

**Reporting of Fraud**

No frauds were reported by the Auditors as specified under Section 143 of the Companies Act, 2013 for the Financial Year ended March 31, 2021.

**Significant and material orders passed by the Regulators or Courts**

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

**Annual Return of the Company**

Pursuant to Section 92 of the Companies Act, 2013 and Rules made thereunder, Annual Returns filed by the Company for the prior financial years has been

uploaded on the website of the Company and can be accessed at <https://www.strides.com/investor-annualreport.html>

Draft Annual Return for the financial year ended March 31, 2021 is also uploaded in the above section. Upon filing the same with Registrar of Companies, filed return shall be uploaded.

**Conservation of Energy, R&D, Technology Absorption and Foreign Exchange Earnings/ Outgo**  
Details of Energy Conversation, R&D, Technology Absorption and Foreign Exchange Earnings/ Outgo are enclosed as **Annexure 7** to this Report.

**Policy on prevention of Sexual Harassment at workplace**

Your Company has in place a Policy on Prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the work place (Prevention, Prohibition & Redressal) Act, 2013 (PoSH Act). Strides has adopted a gender neutral policy.

In terms of the PoSH Act, your Company has also constituted Internal Complaints Committee (ICC). Adequate workshops and awareness programmes against sexual harassment are conducted across the organisation.

A disclosure relating to PoSH complaint is provided in the Corporate Governance Report, which forms part of this Report.

**21. Declaration by Independent Directors**

In accordance with Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the SEBI Listing Regulations, each independent director has confirmed to the Company that they meet the criteria of independence as laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI Listing Regulations.

**22. Board Evaluation**

Evaluation of all the Directors, Committees, Chairperson of the Board, and the Board as a whole was conducted for the year. Evaluation parameters and the process have been explained in the Corporate Governance Report, which is part of this report.

**23. Material changes and commitments, if any**

There were no material changes and commitments affecting the financial position of the Company which

occurred between the end of the Financial Year to which this financial statement relates and the date of this report.

**24. Directors' Responsibility Statement**

Pursuant to the requirement under section 134 (3) (c) of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, the Board of Directors of your Company state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) directors have prepared the annual accounts of the Company on a going concern basis;
- (e) directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- (f) directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**25. Acknowledgement**

Your Directors take this opportunity to thank all its stakeholders, employees, medical professionals, business partners, government & other statutory bodies, banks, financial institutions, analysts and members for their continued support and valuable cooperation.

For and on behalf of the Board of Directors

Date: May 27, 2021  
Place: Bengaluru

**Dr. R Ananthanarayanan**  
Managing Director & CEO  
DIN: 02231540

**Badree Komandur**  
Executive Director – Finance & Group CFO  
DIN: 07803242

**Form AOC 1**  
(Pursuant to first proviso to sub section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)  
(Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures)

**PART A - SUBSIDIARIES**

Sl. No. of the Subsidiary	Country of incorporation	Reporting Period	Reporting Currency	Exchange Rate	Capital (Includes Monies pending allotment)	Reserves	Total Assets	Total liabilities (other than Capital & reserves)	Investments other than in subsidiaries	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	Share-holding (%)
1	Altima Innovations Inc.	USA	31-03-2021	USD	75.34	196.84	(196.24)	0.60	-	-	(0.04)	-	(0.04)	-	100.00%
2	Apollo Life Sciences Holdings Proprietary Limited	South Africa	31-03-2021	ZAR	4.18	-	(2.04)	2.00	4.05	0.27	(0.11)	-	(0.11)	-	51.76%
3	Arco Lab Private Limited	India	31-03-2021	INR	1.00	1.60	71.10	337.50	264.81	842.01	69.70	19.47	50.23	-	100.00%
4	Arrow Life Sciences (Malaysia) SDN BHD	Malaysia	31-03-2021	MYR	17.34	0.97	(1.55)	(0.47)	0.12	-	(0.17)	-	(0.17)	-	100.00%
5	Arrow Pharma Pte Ltd	Singapore	31-03-2021	USD	75.34	64.19	(141.73)	1.19	78.73	-	(1.90)	-	(1.90)	-	100.00%
6	Arrow Pharma (Private) Limited	Sri Lanka	31-03-2021	LKR	0.40	18.56	(18.24)	0.44	0.13	-	(0.05)	-	(0.05)	-	100.00%
7	Arrow Pharma Life Inc.	Philippines	31-03-2021	PHP	1.47	14.51	(15.90)	0.03	1.43	-	(1.97)	-	(1.97)	-	100.00%
8	Arrow Remedies Private Limited*	India	31-03-2021	INR	1.00	-	-	-	-	-	-	-	-	-	-
9	Beltapharm S.p.A*	Italy	31-12-2020	EUR	83.11	124.93	107.87	473.71	240.92	580.57	33.32	-	33.32	-	97.94%
10	ERIS Pharma GmbH*	Germany	31-12-2020	EUR	83.11	2.15	(22.11)	22.34	42.30	15.73	(0.49)	-	(0.49)	-	70.00%
11	Fagris Medica Private Limited*	India	31-03-2021	INR	1.00	-	-	-	-	-	-	-	-	-	-
12	Faired Healthcare AG**	Switzerland	31-12-2020	CHF	78.40	95.35	30.75	1,216.30	1,090.19	1,323.33	34.00	-	34.00	-	70.00%
13	Faired Healthcare GmbH*	Germany	31-12-2020	EUR	83.11	18.02	(1,385.77)	446.29	1,814.04	649.50	(294.09)	-	(294.09)	-	70.00%
14	Generic Partners (R&D) Pte. Ltd.	Singapore	31-03-2021	AUD	48.41	0.01	3.50	5.56	2.05	-	-	-	-	-	100.00%
15	Generic Partners (International) Pte. Ltd.	Singapore	31-03-2021	SGD	52.99	8.16	(4.50)	3.87	0.21	-	(0.07)	-	(0.07)	-	100.00%
16	Generic Partners (Canada) Inc.	Canada	31-03-2021	CAD	53.58	0.01	(12.35)	81.51	93.85	11.86	(16.97)	(2.75)	(14.22)	-	100.00%
17	Generic Partners UK Limited	UK	31-03-2021	GBP	93.57	0.01	44.71	46.19	1.47	-	(0.21)	-	(0.21)	-	100.00%
18	Pharmapar Inc.*	Canada	31-12-2020	CAD	53.58	291.22	(301.37)	233.87	244.02	136.19	(100.15)	(1.28)	(98.87)	-	80.00%
19	Shasun Pharma Solutions Inc.	USA	31-03-2021	USD	75.34	38.33	(39.01)	-	0.69	-	(0.07)	-	(0.07)	-	100.00%
20	Stabilis Pharma Inc.	USA	31-03-2021	USD	75.34	0.06	(0.02)	0.30	0.25	-	(0.10)	-	(0.10)	-	100.00%
21	Stellis Biopharma (Malaysia) SDN BHD.	Malaysia	31-03-2021	MYR	17.34	234.66	(144.63)	90.10	0.07	-	(4.75)	-	(4.75)	-	100.00%
22	Strides Arcolab International Ltd.	UK	31-03-2021	USD	75.34	5,372.96	(315.56)	6,788.83	1,731.44	859.09	(202.61)	-	(202.61)	-	100.00%
23	Strides CIS Limited	Cyprus	31-03-2021	USD	75.34	24.37	(26.26)	3.31	5.20	-	(25.93)	3.24	(29.17)	-	100.00%
24	Strides Emerging Markets Limited*	India	31-03-2021	INR	1.00	-	-	-	(0.01)	-	-	-	-	-	-
25	Strides Lifesciences Limited	Nigeria	31-03-2021	NGN	0.20	0.56	(189.59)	65.40	254.42	13.03	(45.65)	0.01	(45.66)	-	100.00%
26	Strides Pharma (Cyprus) Limited	Cyprus	31-03-2021	EUR	83.11	85.60	1,062.02	1,395.96	248.35	991.64	283.44	-	283.44	-	100.00%
27	Strides Pharma (SA) Pty Ltd	South Africa	31-03-2021	ZAR	4.18	-	(16.37)	95.72	112.10	16.30	(23.55)	4.84	(28.39)	-	60.00%
28	Strides Netherlands B.V.*	Netherlands	31-12-2020	EUR	83.11	1.72	2.30	74.01	69.99	18.97	3.56	0.59	2.97	-	100.00%
29	Strides Nordic Aps	Denmark	31-03-2021	DKK	11.02	0.46	14.42	147.77	132.90	208.36	2.52	0.55	1.97	-	100.00%
30	Strides Pharma Science Pty Ltd	Australia	31-03-2021	AUD	48.41	80.88	(38.62)	42.89	0.63	-	(17.45)	-	(17.45)	-	100.00%
31	Strides Pharma Global (UK) Ltd	UK	31-03-2021	GBP	93.57	4,371.15	(2,599.99)	1,785.40	14.24	35.78	9.93	4.63	5.30	-	100.00%
32	Strides Pharma Asia Pte. Ltd.	Singapore	31-03-2021	USD	75.34	12,825.08	1,708.26	15,156.28	622.93	-	9.44	-	9.44	-	258.97 100.00%

Sl. No.	Name of the Subsidiary	Country of incorporation	Reporting Period	Reporting Currency	Exchange Rate	(a) Capital (Includes Monies pending allotment)	(b) Reserves	(c) Total Assets	(d) Total liabilities (other than Capital & reserves)	(e) Investments other than in subsidiaries	(f) Turnover	(g) Profit before taxation	(h) Provision for taxation	(i) Profit after taxation	(j) Proposed dividend	(k) Share-holding (%)
33	Strides Pharma Canada Inc.#	Canada	31-12-2020	CAD	53.58	385.15	(87.42)	367.14	69.41	-	37.50	(31.58)	-	(31.58)	-	100.00%
34	Strides Pharma Global Pte. Limited	Singapore	31-03-2021	USD	75.34	14,984.96	3,382.09	31,562.78	13,195.73	1,087.29	18,799.78	3,427.79	218.27	3,209.52	-	100.00%
35	Strides Pharma Inc.	USA	31-03-2021	USD	75.34	12.13	5,370.58	17,463.39	12,080.68	105.24	13,255.11	553.41	104.07	449.34	-	100.00%
36	Strides Pharma International Limited	Cyprus	31-03-2021	USD	75.34	32.04	1,000.13	1,225.75	193.58	-	-	39.56	(54.31)	93.87	-	100.00%
37	Strides Pharma UK Ltd	UK	31-03-2021	GBP	93.57	1.45	975.36	2,119.54	1,142.72	-	2,177.44	212.38	12.01	200.37	-	100.00%
38	Strides Pharma Latina, SA de CV	Mexico	31-03-2021	MXN	3.15	39.54	(19.96)	28.64	9.05	-	0.89	(2.97)	-	(2.97)	-	80.00%
39	Strides Vivimed Pte. Ltd.	Singapore	31-03-2021	USD	75.34	208.29	(52.52)	156.13	0.36	-	-	(0.54)	-	(0.54)	-	100.00%
40	SVADS Holdings SA	Switzerland	31-03-2021	CHF	78.40	466.59	(19.51)	646.86	199.77	-	95.20	99.72	3.70	96.02	-	100.00%
41	Trinity Pharma (Pty) Ltd.	South Africa	31-03-2021	ZAR	4.18	0.01	227.15	919.44	692.29	-	1,376.63	100.34	28.11	72.23	-	51.76%
42	Universal Corporation Limited	Kenya	31-03-2021	KES	0.71	122.01	624.70	2,156.62	1,409.91	-	1,761.75	11.93	26.10	(14.17)	-	51.00%
43	Vensun Pharmaceuticals Inc.	USA	31-03-2021	USD	75.34	4,449.62	(5,611.32)	(1,161.70)	-	-	-	(5.06)	-	(5.06)	-	100.00%
44	Vivimed Life Sciences Private Limited	India	31-03-2021	INR	1.00	282.67	309.84	2,062.01	1,469.49	-	1,708.49	65.33	(55.73)	121.06	-	100.00%

Notes:

\*Merged into Strides Pharma Science Limited effective December 1, 2020 (Appointed Date for merger being April 1, 2019).

\*\* Subsidiary effective April 1, 2020.

# Numbers provided are for the period April 1, 2020 upto March 31, 2021

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

PART B - ASSOCIATES/ JOINT VENTURE

Sl. No.	Name of Associate / Joint Venture	Stelis Biopharma Private Limited, India	Aponia Laboratories Inc., USA	Strides Global Consumer Healthcare Limited, UK	Juno OTC Inc., Canada	Sihuan Strides (HK), Limited
1	Latest audited Balance Sheet Date	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020	31 <sup>st</sup> December 2020	31 <sup>st</sup> December 2020
2	Shares of Associate/ Joint Venture held by the Company on the year end					
	No.	451,822 Equity Shares	3,734,074 Preference Shares	19,782,717 Shares	60 Shares	2,450,000 Shares
	Amount of Investment in Associate/ Joint Venture	₹2,747.50 Million	Nil	₹1,223.72 Million	Nil	₹131.02 Million
	Extent of Holding %	47.81%	24.00%	53.64%	60.00%	49.00%
3	Description of how there is significant influence	Shareholding and board representation	Shareholding and board representation	Shareholding and board representation	Shareholding and board representation	Shareholding and board representation
4	Reason why the Associate/ Joint Venture is not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
5	Networth attributable to Shareholding as per latest audited Balance Sheet	₹2,002.59 Million	₹21.04 Million	₹668.17 Million	(₹51.73 Million)	₹170.22 Million
6	Profit/ (Loss) for the year					
	Considered in Consolidation	(₹659.67 Million)	(₹4.16 Million)	(₹222.11 Million)	(₹1.66 Million)	(₹8.74 Million)
	Not considered in Consolidation	Nil	Nil	Nil	Nil	Nil

Notes:

- Subsidiaries of Associates (4 entities) are not disclosed above.
- Regional Bio Equivalence Centre S.C., Ethiopia, a step down associate company not disclosed in 'Part B - Associates/ Joint Venture' as investment in this entity is completely written off.

For and on behalf of Board of Directors of Strides Pharma Science Limited

**Dr. R Ananthanarayanan**

Managing Director & CEO

DIN: 02231540

**Badree Komandur**

Executive Director - Finance & Group CFO

DIN: 07803242

**Manjula Ramamurthy**

Company Secretary

ACS Membership No.: A30515

Date: May 27, 2021

Place: Bengaluru

## Annexure 2

### Details of Strides Employee Stock Options pursuant to SEBI Regulation and Companies Act, 2013

During the year under review, Company had one ESOP scheme viz., Strides ESOP Plan 2016.

With respect to the above, please find below the details of Employee Stock Options pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014 and the Companies Act, 2013 as at 31 March 2021.

Description	Strides ESOP Plan 2016
A Disclosure of confirmation of any material change in the scheme(s) and is in compliance with the regulations	None during the year
B Disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	Please refer to Note No. 42 of the Standalone Financial Statements
C Diluted Earnings Per Share pursuant to issue of shares on exercise of option calculated in accordance with Indian Accounting Standard (IND AS) - 33 – Earnings Per Share	Continuing Operations ₹8.72
	Discontinued Operations ₹0.00
	Total Operations ₹8.72
<b>D Details relating to ESOP</b>	
1) <b>Total options approved under the Scheme</b>	<b>30,00,000 Options</b>
2) Date of Members' approval	April 21, 2016
3) Vesting requirements	3-year scheme  Vesting schedule: Year 1: 20% Year 2: 30% Year 3: 50%
4) Pricing formula	Decided by the Compensation Committee from time to time, which shall be, not less than 75% of the market price of the shares on the date of grant of option.
5) Maximum term of options granted	Three years from the date of initial grant under the scheme, subject to vesting schedule
6) Source of shares (primary, secondary or combination)	Primary
7) Variation of terms of options	None
E Method used to account for ESOP	Fair Value Method
F Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the option, shall be disclosed. The impact of the difference on profits and EPS of the Company shall be disclosed.	Compensation Cost has been accounted under fair value.
<b>G Option movement during the year</b>	
(i) Outstanding options as at April 1, 2020	4,21,200 Options
(ii) Options granted during the year under review	25,000 Options
(iii) Options lapsed during the year under review	84,800 Options
(iv) Options vested during the year under review	1,80,950 Options
(v) Options exercised during the year under review	1,15,500 Options
(vi) Total number of shares arising as a result of exercise of options	1,15,500 Options
(vii) Money realised by exercise of options	₹3,49,92,850/-

Description	Strides ESOP Plan 2016
(viii) Total number of options in force at the end of the period ending March 31, 2021	2,45,900 Options
(ix) Available for further grant	26,02,800 Options
H Weighted average exercise price	₹348.79
I Weighted average fair value of options	₹220.12
<b>J Employee-wise details of options granted during the year under review:</b>	
(i) Senior Managerial Personnel/ Key Managerial Personnel	NONE
(ii) Any other employee who received grant in any one year of option amounts to 5% or more of options during the year	NONE
(iii) Identified employees who were granted options, during any one year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversion) of the Company at the time of grant	NONE
K A description of the method and significant assumptions used during the year to estimate the fair value of options, including the following weighted average information:	The Fair Value of options granted were estimated on the grant date using the Black Scholes method. Details of assumptions used in the estimation of fair value as at grant date for options granted during the previous year are given below:

Scheme	ESOP 2016								
	LOT 1	LOT 2	LOT 3	LOT 4	LOT 5	LOT 6	LOT 7	LOT 8	LOT 9
Grant date	June 15, 2016	May 18, 2017	Aug 14, 2017	Aug 8, 2018	Jan 29, 2019	July 29, 2019	Sep 20, 2019	Oct 25, 2019	May 20, 2020
Exercise Price	₹841.25	₹792.45	₹656.10	₹301.00	₹378.40	₹265.20	₹269.70	₹257.65	₹311.00
Repriced on April 24, 2018 *	₹711.85	₹670.56	₹555.18	-	-	-	-	-	-
Risk free interest rate	7.52%	6.73%	6.52%	7.78%	7.53%	6.44%	6.78%	6.66%	6.041%
Expected life	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years
Expected annual volatility of shares	69.47%	42.86%	38.96%	34.30%	32.65%	27.28%	32.67%	35.76%	36.52%
Expected dividend/ yield	40%	40%	40%	40%	20%	20%	20%	20%	20%
The price of the underlying share in market at the time of option grant	₹1128.94	₹1037.51	₹896.72	₹414.85	₹504.50	₹352.75	₹360.10	₹373.00	₹414.40
Volatility is calculated from the method of historical volatility, based on the three years data of closing market prices of the Company's shares as per the data recorded by NSE and the average number of trading days during that period. It is the percentage co-efficient within the option pricing formulae.									
*Pursuant to de-merger of Commodity API business of the Company to Solara Active Pharma Sciences Limited and in terms of the Composite Scheme, exercise price of outstanding stock options held by existing/ retained employees were repriced to adjust effect of de-merger on the stock price.									

Kindly note that this report is also available at <http://www.strides.com/investor-financial.html>

For and on behalf of the Board of Directors

Date: May 27, 2021  
Place: Bengaluru

**Dr. R Ananthanarayanan**  
Managing Director & CEO  
DIN: 02231540

**Badree Komandur**  
Executive Director – Finance & Group CFO  
DIN: 07803242



### Annexure 3

#### Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- a. Ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year ending March 31, 2021

As at March 31, 2021, Strides' Board comprises of 8 Directors - viz., 2 Executive Directors, 4 Independent Directors and 2 Non-Executive Directors.

Non-Executive & Independent Directors receive sitting fees of ₹100,000/- for attending each meeting of the Board and Audit Committee.

Further, Non-Executive Directors and Independent Directors are also eligible for commission not exceeding 1% of the net profits of the Company for such financial year, computed in the manner provided in Section 198 of the Companies Act, 2013.

Median remuneration for the period under review is approx. ₹520,000/- per annum. One-time payment made to employees for individual projects, if any, and Full & Final Settlement made at the time of separation are excluded while considering the median remuneration.

Ratio of remuneration of the Executive Directors to the median remuneration of the employees of the Company for the financial year ended March 31, 2021 is as under:

Name of Director	Designation	Ratio of remuneration to the median remuneration
Dr. R Ananthanarayanan	Managing Director & CEO	185
Badree Komandur	Executive Director - Finance & Group CFO	85

- b. Percentage increase in the median remuneration of employees in the financial year ending March 31, 2021 was 9.2%.

Percentage increase in remuneration of Executive Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company in the financial year ended March 31, 2021 is as under:

Name of Director/ KMP	Designation	% increase in remuneration in FY 2021
Dr. R Ananthanarayanan	Managing Director & CEO	NA – First year of appointment
Badree Komandur	Executive Director - Finance & Group CFO	18.27%
Manjula Ramamurthy	Company Secretary	6.74%

- c. Company had 2,390 permanent employees on the rolls of Company as at March 31, 2021 on a standalone basis.
- d. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year was around 7.9%.

The Company affirms remuneration to the Directors and Key Managerial Personnel is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors

Date: May 27, 2021  
Place: Bengaluru

**Dr. R Ananthanarayanan**  
Managing Director & CEO  
DIN: 02231540

**Badree Komandur**  
Executive Director – Finance & Group CFO  
DIN: 07803242

### Annexure 4

#### CORPORATE SOCIAL RESPONSIBILITY REPORT FY 2020-21

[As prescribed under the amended rules of the Companies (Corporate Social Responsibility Policy) Rules, 2014 vide MCA notification dated January 22, 2021]

#### 1. Brief outline on CSR Policy of the Company

At Strides, community development programmes are integral to our sustainability strategy. The Company strives to go beyond compliance and create sustainable value for communities by improving their health, education and employability.

The Policy encompasses our philosophy towards CSR and lays down guidelines and mechanisms for undertaking socially beneficial programmes for welfare and sustainable development of the community at large.

#### CSR VISION & MISSION

**Vision:** To actively contribute to the community in which we operate and provide high-quality solutions to the issues impacting their lives, which results in the overall development of the society.

**Mission:** To innovate for our society, deliver high-quality services and impactful interventions over a long period and ensure sustained relations with society.

#### CSR GOVERNANCE STRUCTURE

The Company has set up dedicated teams for implementing CSR projects. Strides shall undertake its CSR activities, approved by the CSR Committee, through Strides Foundation or such other entity/organisation as approved by the CSR Committee.

The Company's CSR activities are primarily implemented through Strides Foundation, a Trust set up by the Promoters of the Company as a not-for-profit organisation

#### FOCUS AREAS OF ENGAGEMENT

Strides CSR initiatives help address socio-economic challenges in the realms of Health and Hygiene, Education, Employability and Disaster Management.

Projects to promote the wellbeing of the society has been developed post a comprehensive Community Need Analysis.

#### 2. The Composition of the CSR Committee as at the date of this report is as under:

#	Name of the Director	Designation/ Nature of Directorship	Date of Appointment as Member of the Committee	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr. Kausalya Santhanam	Chairperson/ Independent Director	Jan 9, 2020	Two meetings (May 20, 2020 and March 31, 2021)	Two
2	Homi Rustam Khusrookhan	Member/ Independent Director	May 18, 2017		Two
3	Arun Kumar	Member/ Non-Executive Director	May 23, 2014		One (May 20, 2020)
4	Deepak Vaidya	Member/ Non-Executive Director	May 23, 2014		Two

#### 3. Web-link relating to Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the Company's website on [https://strides.com/corporate- CSR.html](https://strides.com/corporate-CSR.html)

Impact Assessment was carried through Social Audit Network, India (SAN India) which is the Indian unit of Social Audit Network, UK (SAN, UK). SAN UK evolved the Social Accounting and Audit framework which helps understand the impact, organisations have on the People and the Planet. It also leads to planning effective and efficient management of social impact within the organisation.

#### 4. 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:

As per the CSR provisions, Impact Assessment is not applicable for the Company's CSR projects. However, Strides carried out Impact Assessment for Strides' CSR Projects undertaken since FY 2014-15

They have used the REES framework for the Impact Assessment - where R stands for Relevance, E stands for Effectiveness and Efficiency and S stands for Sustainability.

**Strides has scored an overall rating of 8.6 out of 10. Criteria and results were as under:**

Focus Area	Strides Objective	Result
Healthcare	To provide preventive, promotive and curative healthcare and hygiene facilities	Met
Education	To improve the quality of education and equip the students to be future ready through life skills and value education	Met
Employability	To provide necessary skills and education to needy, rural youth to be responsible citizens	Met

As part of the impact assessment, SAN India also validated Strides' CSR goals to that of UN Sustainable Development Goals (UN SDG). The UN SDG is the blueprint to achieve a better and more sustainable future for all. They address the global challenges faced, including those related to poverty, inequality, climate change, environmental degradation, peace and justice.

UN SDG 3 - Ensure Healthcare and well-being for all at all ages;

UN SDG 4 - Quality education for all; and

UN SDG 6 - Ensure availability and sustainable management of water and sanitation for all.

Upon consideration, it was derived that Strides' CSR goals aligns with 4 UN SDGs viz.,

**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: NIL**

UN SDG 1 - End poverty in all its form and everywhere;

6. Average net profit of the company as per section 135(5):	₹1,14,22,00,000
(a) Two percent of average net profit of the company as per section 135(5)	₹2,28,44,000
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	-
(c) Amount required to be set off for the financial year, if any	-
(d) Total CSR obligation for the financial year (6a+6b-6c).	₹ 2,28,44,000

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

Total Amount Spent for the FY (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
2,48,07,062	-	-	None	None	None

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

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

Sl. No	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Agency Name	CSR Registration Number
1	Arogyadhama	Promoting Healthcare including preventive healthcare	Yes	Karnataka	Anekal, Bengaluru	50,00,000	No	Strides Foundation	CSR00006315
2	RO water plant	Providing safe drinking water	Yes	Karnataka	Anekal, Bengaluru	8,40,000	No	Strides Foundation	CSR00006315
3	Sponsorship to Siva Sakthi Homes (Food and Medicine to the intellectually challenged)	Preventive Healthcare	Yes	Karnataka	Bengaluru	10,00,000	No	Strides Foundation	CSR00006315
4	COVID-19 Response: Donation of Ventilators - 15 Nos	Promoting Healthcare including preventive healthcare	Yes	Karnataka	Bengaluru	84,00,000	No	Strides Foundation	CSR00006315
5	COVID-19 Response: Donation of Hemo Dialysis machine to General Hospital - Ooty	Promoting Healthcare including preventive healthcare	No	Tamilnadu	Ooty	6,94,400	No	Strides Foundation	CSR00006315
6	COVID-19 Response: Donation of food / Survival kits to migrants at Anekal	Promoting Healthcare including preventive healthcare	Yes	Karnataka	Bengaluru	4,65,000	No	Strides Foundation	CSR00006315
7	COVID-19 Response: Donation of masks, Gloves, PPE kit, Sanitisers etc to front line COVID-19 Warriors	Promoting Healthcare including preventive healthcare	Yes	Karnataka	Bengaluru	29,58,000	No	Strides Foundation	CSR00006315
8	Leadership Adoption Program (LeAPS) designed for people transformation and customised for young students of government schools	Promoting Education	Yes	Karnataka	Bengaluru	1,20,000	No	Strides Foundation	CSR00006315
9	Education support - Tata Institute of Social Sciences (TISS)	Promoting Education and Employment enhancing vocation skills	Yes	Puducherry	Puducherry	26,57,282	Yes	Direct by Company	NA
10	Infrastructural support to Dr. Ambedkar Government law college	Focus on Education, with an intention to provide quality learning environment	Yes	Puducherry	Puducherry	4,70,230	No	Strides Foundation	CSR00006315
11	Employability development program with Swamy Vivekananda Rural Community College	Employment enhancing vocation skills especially among children	Yes	Puducherry	Puducherry	15,00,000	No	Strides Foundation	CSR00006315
					<b>TOTAL</b>	<b>2,41,04,912</b>			

- (d) Amount spent in Administrative Overheads : -
- (e) Amount spent on Impact Assessment, if applicable : ₹7,02,150
- (f) Total amount spent for the Financial Year (7b+7c+7d+7e) : ₹2,48,07,062
- (g) Excess amount for set off, if any : The Company does not intend to utilise this provision

Sl. No	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	2,28,44,000
(ii)	Total amount spent for the Financial Year	2,48,07,062
(iii)	Excess amount spent for the financial year [(ii)-(i)]	19,63,062
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

**8. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable**

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable**

**9. 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).**

Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	Date of creation or acquisition of the capital asset(s)	Amount (in ₹)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
<b>Following capital assets are held by Strides Foundation</b>			
Building construction of Primary Healthcare Centre (PHC)	31-Mar-15	69,99,999	<b>Strides Foundation</b> Address: Strides House, Bilekahalli, Bannerghatta Road, Bengaluru - 560 076
Extension of PHC - for car parking and generator	31-Mar-17	5,00,000	
Computers & Printers	31-Mar-15	33,460	
Addnl Computers & Printers	31-Aug-17	72,830	
Furniture & Fixtures	31-Mar-15	2,23,852	
Addnl Furniture & Fixtures	31-Mar-17	61,720	
Medical Equipments	31-Mar-15	16,30,126	
Addnl Medical Equipments	31-Aug-17	3,78,000	
Addnl Medical Equipments	30-Apr-18	2,77,204	
Plant & Machinery - Generator	31-Mar-17	2,45,000	
Leasehold Land for PHC	31-Mar-17	76,920	
CCTV Camera for PHC	30-Apr-18	57,598	
<b>TOTAL</b>		<b>1,05,56,709</b>	

**10. 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**

**11. Brief on the CSR projects**

**A. Health**

**1. Arogyadhama – State of the Art Specialty Health Centre:**

Arogyadhama- Pioneering in Preventive, Promotive, and curative services, is a unique multi-specialty clinic in the rural setting of Suragajakkanahalli panchayat. The centre is equipped with state-of-the-art equipment viz X-ray, Scan, laboratory, minor OT along with out-patient facilities, partnerships with credible entities, and provision of high-quality consultation and diagnosis facilities. This establishment is economically friendly for the patients since consultations are free, and medicine and diagnostic services are highly subsidised. Arogyadhama has successfully served over 6,400 patients and further provides specialists' facilities like Ophthalmology, Gynaecology, Paediatrics, Dental Treatments, Pharmacy, and day care.

Arogyadhama ensures their community stays at the top of their health, thus, they have taken up the responsibility to spread awareness regarding various facets of health and hygiene.

They impart knowledge on the importance of a clean environment to prevent diseases like H1N1, COVID-19, Malaria, and so on. It has actively led health camps and outreach programmes to identify diabetes and hypertension patients. Further, counselling, administering regular medicines, follow up medical checks, data maintenance of all the patients are some of Arogyadhama's routine activities, in addition to providing curative healthcare and health management at the centre.

**Milestones for FY 2020-21:**

- Polio vaccines were administered to over 1,246 kids, covering 11 villages in co-ordination with Government PHC Haragadde
- 230 students of 8<sup>th</sup> to 10<sup>th</sup> standard were covered under Rapid Antigen Test when the schools reopened
- 60 children were covered under the 'Mission Indradhanush Program' of Government of India, which aims at ensuring full immunisation with all available vaccines for children.
- Health camp conducted in Gowrenahalli, in collaboration with Government PHC Anekal for Non-Communicable diseases and Revised National Tuberculosis Control Programme (RNTCP) programme
- Conducted a COVID-19 Survey along with Government PHC Haragadde in 10 Villages of Suragajakkanahalli Panchayat
- Serving as COVID-19 Vaccination Centre (CVC) in coordination with Government PHC Haragadde.

Through Arogyadhama, we could contribute to the nation's fight against the pandemic by helping the Government PHC's with man-power to maintain patient related data and helped in protocols like quarantining or isolating the COVID-19 patients. Our team from Arogyadhama has continuously engaged with the Government frontline workers and hospitals to support and implement all the protocols, as per the need of the hour. The appreciation received for Arogyadhama's work has been a boost of encouragement for us to keep striving for the better. Arogyadhama has further been certified as one of the best PHC in maintaining the health records and keeping it real time.

**2. RO Water plants**

Provisions of safe drinking water is of utmost importance to eliminate the threat of consuming toxins and further prevents contraction of water borne diseases. Strides has made permanent arrangements for safe drinking water for over 11,000 people at Suragajakkanahalli, Hennagra, Haragadde and Neralur panchayats in Anekal Taluk, Bengaluru. To further this goal, till date, Strides Foundation has built 11 self-sustainable RO water units, with 2,000 litres per hour capacity each. This year we have commissioned 2 new units at Kumbaranahalli, Haragadde Panchayat and Anekal Main road, Suragajakkanahalli panchayat.

**3. Support provided to fight against COVID-19**

It is our privilege to shed some light on the Strides CSR initiatives taken up amidst the pandemic (Apr 2020 to Mar 2021). In addition to being a partner in the mitigating activities, we have also donated the following to supplement the immediate requirements for the betterment of the patients / people:

1. ICU Ventilators – 15 Nos. (4 nos. to Victoria Hospital & BMC, 3 nos. to Bowring & Lady Curzon Hospital, 3 nos. to Mahaveer Jain Hospital, 3 nos. to Jayadeva Hospital and 2 nos. to BBMP hospitals)
2. Hemo Dialysis Machine to Ooty General Hospital
3. 10,000 sanitisers of 500 ml each distributed to Government hospitals
4. Hand sanitisers, N95 masks, and gloves were provided to DC in Puducherry
5. Reusable cotton masks stitched by the local self-help groups were distributed in the Suragajakkanahalli village, thus providing temporary employment during the lock down period
6. Sponsored packed meals and survival kits to front line workers and migrants around Anekal

We are proud to have received positive feedback and appreciation by Government hospitals, local Panchayats and Government officials for our stellar contribution in this field.

**4. Sponsorship to Siva Sakthi homes**

Siva Sakthi Sathya Sai Charitable Trust is a registered trust, established to serve Intellectually Challenged Children and Senior Citizens. The Trust has a Home in Sri Raja Rajeswari Nagar, Bengaluru which has 28 differently abled inmates. As this home was looking for a willing donor to make provisions of groceries and medicines available, Strides Foundation stepped in to sponsor the same.

**B. Education:**

**1. LeAPS**

Leadership Adoption Programme for Schools, popularly known as LeAPS is a programme designed to cater to people transformation and is further customisable for the young students of Government schools. The programme fosters overall developmental needs and imparts essential skills into the students. However, despite LeAPS being an ongoing programme, it was not pursued this year as the school was shut in response to the pandemic.

**2. Infrastructure Improvement**

We recognise the importance of education and continue to direct our focus to strengthen educational infrastructure to provide quality learning environment. We have provided infrastructural support of a fully functional smart class and library

to the Dr. Ambedkar Government Law college, Puducherry.

Further, for the children of Sidihoskote Village at Suragajakkanahalli Panchayat, Bengaluru, a state-of-the-art Anganwadi was constructed and handed over to the Local Authorities and the Anganwadi team.

**C. Employability**

**1. Vocational skill Development:**

To increase employment opportunities among the underprivileged sections of society, we made provisions of enhancing vocational abilities available to the youth of fisherman community at Puducherry. The Employment Empowerment Programme has been consistently organised every year and we have partnered with Swami Vivekananda Rural Community College (SVRCC) to widen our reach. This partnership has enabled the selection of 100 students who will be trained, in several job-related courses, with a holistic approach, to make them responsible citizens.

We take great pride in announcing that despite the pandemic, students of the 4th batch completed their studies amidst all protocols. Further, 70 children out of 100 have been placed and the rest 30 were not ready to take up jobs in fear of the pandemic even though the vacancies were available. However, we have the 5th batch students ready to take up the challenge and march forward to be skilled.

**Responsibility Statement:**

We hereby confirm that the implementation of the policy and monitoring of the CSR projects and activities is in compliance with the CSR objectives and CSR Policy of the Company

For and on behalf of the Board of Directors

**Dr. Kausalya Santhanam**  
Independent Director &  
Chairperson of the CSR Committee  
DIN: 06999168

**Dr. R Ananthanarayanan**  
Managing Director & CEO  
DIN: 02231540

Date: May 27, 2021  
Place: Bengaluru

**Annexure 5**

**Form 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)

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

All the contracts/ arrangements/ transactions entered into by the Company with related parties during the FY 2020-21 were at arm's length basis.

**2) Details of material contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2021 are as under:**

#	Name of the Related Party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts/ arrangements/ transactions	Monetary Value (₹ in Million)	Date of approval by the Board/ Audit Committee	Amount paid as advances, if any
1	Strides Pharma Globla Pte. Limited, Singapore	Wholly owned Subsidiary	Sale of materials/ services, Purchase of materials/ services, Guarantee Commission, Sale of IPs, Sale/ Purchase of Assets, Lease Rentals, Support Service Income	Ongoing	Based on Transfer Pricing guidelines	10,479.79	Appropriate approvals have been taken for related party transactions	Nil
2	Solara Active Pharma Sciences Limited	Enterprise owned or significantly influenced by Directors	The Company predominantly purchase APIs from Solara. In addition to above, the Company also have transaction in the nature of Rental Income.	Ongoing	The Company has entered into specific arrangements with Solara for long term API supplies. Transactions are in line with such arrangements.	2,267.95	Appropriate approvals have been taken for related party transactions	Nil

**Notes:** Above data excludes reimbursement of expenses incurred by/ incurred on behalf of related party (Refer Note no. 44 of the Standalone Financial Statements).

For and on behalf of the Board of Directors

Date: May 27, 2021  
Place: Bengaluru

**Dr. R Ananthanarayanan**  
Managing Director & CEO  
DIN: 02231540

**Badree Komandur**  
Executive Director – Finance & Group CFO  
DIN: 07803242

## Annexure 6

**Form No. MR-3**  
**Secretarial Audit Report**  
 For the financial year ended 31<sup>st</sup> March 2021

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

To,  
 The Members,  
**Strides Pharma Science Limited**  
 CIN: L24230MH1990PLC057062

**Regd. Office:**  
 201, 'Devavrata', Sector 17  
 Vashi, Navi Mumbai – 400 703  
 Maharashtra

**Corporate Office:**  
 Strides House, Bilekahalli  
 Bannerghatta Road  
 Bengaluru – 560 076  
 Karnataka

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 'Strides Pharma Science Limited' ('the Company'). 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 secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2021 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 31<sup>st</sup> March 2021 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder.
- 2) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder.
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.

- 4) Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment.
- 5) 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 (Share Based Employee Benefits) Regulations, 2014.
  - d) 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 complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above.

We further report that, there were no events/ actions in pursuance of the following requiring compliance thereof by the Company during the Audit period.

- 1) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- 2) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
- 3) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
- 4) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

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

- 1) Secretarial Standards issued by the Institute of Company Secretaries of India.
- 2) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and the Listing Agreements entered into by the Company with the National Stock Exchange of India Limited and BSE Limited.

We further state that, during the period under review and based on our verification of the records maintained by the Company and also on review of compliance reports/ statements by the respective department heads/ Chief Financial Officer/ Company Secretary taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes and control mechanism commensurate to the size and nature of the Company's business exist in the Company to monitor and ensure compliances with applicable laws, industry specific laws, labour laws, intellectual property laws and environmental laws. We have not reviewed the applicable financial laws, direct and indirect tax laws since the same have been subject to review and audit by the Statutory Auditors of the Company. Further, we state that due to restrictions imposed by the Government on account of COVID-19, we were not able to verify certain records physically and relied on the soft copies provided electronically by the company.

We, further report that:

- 1) As at 31<sup>st</sup> March 2021, 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.
- 2) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in few meetings with shorter notice as per

the Secretarial Standard-1, 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.

- 3) Decisions of the Board were unanimous and there were no dissenting views by any Members' of the Board during the period under review.

We further report that during the audit period:

- 1) the Company has not issued any equity or preference shares/ debentures/ sweat equity except those equity shares issued to employees of the Company under applicable ESOP Plan.
- 2) the Company's direct/ indirect wholly owned subsidiaries viz., Arrow Remedies Private Limited, Fagris Medica Private Limited and Strides Emerging Markets Limited amalgamated into the Company pursuant to a Scheme of Amalgamation under Section 230 to 232 of the Companies Act, 2013. Appointed Date and Effective Date for the said amalgamation was April 1, 2019 and December 1, 2020, respectively.
- 3) the Company has sought and received Members approval pursuant to Regulation 31A of the SEBI Listing Regulations for Re-classification of SeQuent Scientific Limited from 'Promoter Group' to 'Public' category.
- 4) the Company has not undertaken any foreign technical collaborations.

For Gopalakrishnaraj H H & Associates  
 Company Secretaries

**Gopalakrishnaraj H H**

Proprietor

FCS: 5654; CP: 4152

PR: 945/2020

UDIN: F005654C000370810

Place: Bengaluru

Date: 26/05/2021

**Annexure to Secretarial Audit**

To,  
The Members,  
**Strides Pharma Science Limited**  
CIN: L24230MH1990PLC057062

**Regd. Office:**  
201, 'Devavrata', Sector 17  
Vashi, Navi Mumbai – 400 703  
Maharashtra

**Corporate Office:**  
Strides House, Bilekahalli  
Bannerghatta Road  
Bengaluru – 560 076  
Karnataka

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 of the company.
4. Wherever 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.

For Gopalakrishnaraj H H & Associates  
Company Secretaries

**Gopalakrishnaraj H H**  
Proprietor  
FCS: 5654; CP: 4152  
PR: 945/2020  
UDIN: F005654C000370810

Place: Bengaluru  
Date: 26/05/2021

**Annexure 7**

**Particulars on Energy Conservation and Technology Absorption for FY 2020-21**

**A. Conservation of Energy**

**(i) Steps taken and impact on conservation of energy**

- a) 1,20,267 KL of wastewater treated by WWTP and reused for garden/lawn inside the plant premises across all sites in India.
- b) 29,675 KL of water recycled from steam condensate and reused for steam generation.
- c) 9,947 KL rainwater collected and recharged to improve the ground water table in and around the plant.
- d) Replacement of TFL/CFL/SVL with energy efficient LED lights resulted in saving of about 1,63,419 kWh.

**(ii) Steps taken by the Company for utilising alternative sources of energy**

- a) 11,339 Tonne of CO2 emissions reduction achieved by utilisation of 21 Mn units imported energy from solar power generators.
- b) 2,97,631 kWh renewable energy generated inhouse.

**B. Technology absorption:**

**(i) Efforts made towards technology absorption are:**

- At Oral Dosage Facility – Bengaluru**
- a) MK4L model Softgelatin capsules encapsulation eqpt is replaced with IPC controlled higher capacity HT120 model from Pharmagel, Italy to increase productivity by 3x with improved inprocess controls in Softgel mfg area.
  - b) New 900 CFM screw type Air Compressor imported from IR, Ireland commissioned delivering 7% more efficiency with variable load controller.
  - c) Compression machine from Sejong, Korea is installed in Tablet mfg area to meet increased tablets demand and to deliver 1 Mn / shift with improved controls.
  - d) 360 Degree Inspection System from Sensum, Slovenia is installed for inspecting Tablets/HGC to inspect 1 Mn units / shift to improve compliance.

**At Oral Dosage facility – Alathur**

- a) Ganscoater with 66-inch pan size installed, qualified and released for commercial activities.

- b) Octagonal blender – 6000L qualified and under commercial use.
- c) Neocota with 66-inch pan size installed, qualified and under commercial use.
- d) Double rotary tablet press – Sejong (P580D) installed, qualified and under commercial use.
- e) Ganscoater with 66-inch pan size installed, qualified and under commercial use.
- f) Additional CVC – Bottle Pack line installed, qualified and released for commercial use.
- g) Digitalisation- E-log book implementation completed for most of the equipment and instrument.

**At Oral Dosage facility – Puducherry**

- a) High end integrated blister cartonator from Romaco, Italy is reinstalled to deliver 300 packs / min with improved controls and efficiency
- b) 800 ltrs Wurster coater with top & bottom spraying capability is installed.
- c) Additional one V-Blender 3200L procured and qualified for increasing Blending productivity purpose.
- d) Label rewinding with counter (PM-Stores) to avoid label mixing during PM dispensing purpose.
- e) Induction seal inspection system- CVC-1 Bottle packing machine productivity purpose.
- f) Vaccum tray drier procured for increasing productivity of Potassium Citrate.
- g) Additional 4 Vibrosifter (48 inches) procured and qualified to increase the output.
- h) Serialisation line equipments are procured and installed in all Packing lines as per current DGFT & EU markets.

**At Oral Dosage facility – Chandapura**

- a) Serialisation to comply DGFT & EU markets is implemented in all 5 Pkg lines.
- b) Blister packing line BQS delivering 150 packs / min is qualified and released for commercial pkg.

**Digitalisation**

- a) Migration from manual logbooks to electronic logbooks in Mfg/Engg/WH/EHS areas implemented in KRSG/Pondy/Alathur/R&D locations.
- b) Launched mySetu, exclusive EHS software to manage EHS activities of Event Reporting, Hazard Reporting and EHS audits with real time tracking across sites.

**(ii) Product Improvement & Technology Absorption:**

**At Oral Dosage Facility – Bengaluru**

- Blend for Lamivudine Tablet 150mg/300mg – Tablet Capping issue was resolved by increasing the Povidone (binder) concentration from 0.7407% to 1.2407%.
- Quinine Sulphate Tablet 300mg – Sticking issue was resolved by change in the granulation process, thickness and hardness limits.
- Naproxen 250mg and 500mg – Mottled appearance is resolved by change in Binder preparation process and tablet description.
- E / T Tablets 200mg/300mg - Sticking issue was resolved by change in the granulation and blending process.
- Calcitriol 0.25/0.5mcg SGC, Ergocalciferol 1.25mg SCG and Alfacalcidol 0.25mcg/0.5mcg/1mcg SCG - Capsules clumping issue was resolved by change in lubricating oil composition [MCT + Lecithin].
- Bezonatate capsules 100mg & 200mg - Assay failure was resolved by correction in fill weight based on the migration study. Capsules clustering issue was resolved by change in lubricating oil composition [MCT + Lecithin].
- Cyclosporine capsules 25/50/100mg - Assay failure issue was resolved by correction in fill weight based on the migration study.

**At Oral Dosage facility – Alathur**

- Losartan Potassium tablets 100mg - Hardness limit has been revised in order to meet the target Thickness limit.
- Memantine Hydrochloride Tablets 5 mg and 10 mg – Additional process control deployed in order to control the Finished product water content limit by optimising the coating process parameters.
- Ibuprofen Tablets 800 mg – I-Holland punches included to increase the Productivity.

**At Oral Dosage facility – Puducherry**

- Rosuvastatin tablets 10 mg- RS lactone OOT, OOS in CU: RS failure was resolved by miniature sample API analysis implementation and storage condition revised as 2-8°C during storage to control the impurity. Blending process revised for 10 mg aligned with 20 mg to arrest CU issue.

- Rosuvastatin tablets 10 mg- RS Ketone OOS and OOT: Miniature sample API analysis implemented, and storage condition revised as 2-8°C during storage to control the impurity.
- Metformin HCl PR Tabs 500mg & 750 mg: High hardness than BMR limit.: High hardness issue was resolved by revising BMR with relaxed hardness limit in lower side for both 500 and 750 mg based on satisfactory trial batch dissolution outcome.
- Ibuprofen tablets BP 400 mg Dr. Max: Blend flow issue: Blend flow issue was resolved by implementing addition of #16 mesh sifting of dried granules before milling.
- Ibuprofen Tablets 200mg (Arrow)- Sticking: Sticking issue was resolved by implementing matt finish tooling in commercial batches.
- Ibuprofen Tablets USP 600 mg: Sticking: Sticking issue was resolved by implementing matt finish tooling in commercial batches.
- Amitriptyline tablets 50 mg SPUK: Picking issue: Picking issue was arrested by removing the complete embossing details from the punches.

**At Oral Dosage facility – Chandapura**

- Quinine Bisulphate tablets 300mg - Sticking issue was resolved by implementation of specialised coated tooling (PCRx treated and anti-sticking along with HCP coated punches).
- Sotalol Hydrochloride Tablets 80/160mg- Feeding issue at Packing stage was resolved with change in tool dimension.
- Norfloxacin Tablets 400 mg - Peel off issue was resolved by Change in coating solution solid concentration and implementation spray gun nozzle.
- Escitalopram tablets 10 and 20mg- Sticking issue at compression was resolved by change in coated punches (Anti-sticking coating and HCP).

**(iii) In case of import technology (imported during the last year), the year of import whether the technology has been fully absorbed:**

- a) HT120 model Encapsulation equipment from Pharmagel, Italy imported in 2019 and technology fully absorbed in 2020 to increase productivity by 3x with improved inprocess controls in Softgel manufacturing area.
- b) Compression machine from Sejong, Korea imported in 2020 and technology fully absorbed in 2020 itself.
- c) 360 Degree Inspection System from Sensum Ultra, Slovenia imported in 2020 and technology fully absorbed in 2020 itself.

**Expenditure on R&D:**

Particulars	₹ in Million	
	March 31, 2021	March 31, 2020
Capital	84.23	82.85
Revenue	990.23	910.13
<b>Total</b>	<b>1,074.46</b>	<b>992.98</b>

**Total Foreign Exchange Earned and Used**

Particulars	₹ in Million	
	Year ended March 31, 2021	
Foreign exchange earned in terms of actual inflows	18,274.20	
Foreign exchange outgo in terms of actual outflows	4,987.09	

For and on behalf of the Board of Directors

Date: May 27, 2021  
Place: Bengaluru

**Dr. R Ananthanarayanan**  
Managing Director & CEO  
DIN: 02231540

**Badree Komandur**  
Executive Director – Finance & Group CFO  
DIN: 07803242

# Corporate Governance Report

In compliance with provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ('Listing Regulations'), the Company submits the Corporate Governance Report for the year ended March 31, 2021.

## 1. Corporate Governance at Strides

At Strides, we are guided by our values **Integrity, Collaboration and Efficiency ("ICE")** in everything we do.



We will follow the right practices and do the right thing

We will work together, understanding and supporting each other

We will do everything to deliver quicker, better results

We want to continue to be a leading Indian pharmaceutical company with a reputation for the highest quality and integrity. At Strides we have a strong track record of compliance **integrity** and ethical standards. It continues to be our guiding principle in everyday conduct.

Being a global and multidisciplinary organisation, we want to harness the power of great teamwork. This cross-functional **collaboration** is what we call the power of 'One Strides'. It binds us together.

We will remain a globally competitive company by optimising our capacity and by being the best in what we do. Being right first time and harnessing our resources to

deliver best results is an attribute enshrined in our third value, **efficiency**. At Strides, it's our way of life.

Our values are the foundation on which we build our business and our culture. They inculcate trust and a strong relationship with all our stakeholders, and help us execute our commitment to the 3 Ps – our Patients who depend on us; our People who are our biggest assets; and our Purpose of making a difference to health care and society.

At Strides, we are committed to compliance with the best standards of Corporate Governance.

## 2 The Board of Directors

The Company is headed by an effective Board, which is entrusted to guide and oversee the management and performance of the Company with the ultimate responsibility to protect the interests of shareholders, employees and the other stakeholders.

We believe that our Board is well diversified and has an appropriate mix of Executive and Non-Executive Directors to maintain its independence and to separate its function of governance and management. The Board possesses an optimal mix of professionalism, knowledge and experience. Key Board skills/ expertise/ competence of the Board of Directors is provided in section 2.4 below.

Profile of Directors is available on website at <https://www.strides.com/corporate-board.html>

### 2.1 Board Composition

As on the date of this Report, the Board comprises of Eight Directors – Two Executive Directors and Six Non-Executive Directors, of which Four are Independent Directors, including one Woman Independent Director.

Changes in Board Composition from April 1, 2020 to the date of this report is as under:

1. Mr. Arun Kumar, who was an Executive Director till March 31, 2020, was re-designated as Non-Executive Director and Chairperson of the Board effective April 1, 2020.
2. Mr. Badree Komandur was re-appointed as Executive Director-Finance & Group CFO of the Company effective May 18, 2020 for a further period of 3 years.

### Board and Committee Composition as at March 31, 2021 is as under:

Name of the Director	Category	Board	Audit Committee	Nomination and Remuneration Committee	Stakeholder Relationship Committee	CSR Committee	Risk Management Committee
Arun Kumar	Non-Executive Director	♣	-	-	✓	✓	-
Deepak Vaidya	Non-Executive Director	✓	✓	✓	♣	✓	✓
S Sridhar	Independent Director	✓	♣	✓	✓	-	✓
Bharat Shah	Independent Director	✓	✓	♣	✓	-	✓
Homi Rustam Khusrokhhan	Independent Director	✓	✓	✓	-	✓	♣
Dr. Kausalya Santhanam	Independent Director	✓	✓	✓	-	♣	-
Dr. R Ananthanarayanan	Managing Director and CEO	✓	-	-	✓	-	✓
Badree Komandur	Executive Director – Finance and Group CFO	✓	-	-	-	-	✓

### Management members forming part of the Risk Management Committee

Christoph Funke	Chief operations Officer
Umesh Kale	Chief of Quality Services
Anjani Kumar	Chief Information Officer
Sormistha Ghosh	Group General Counsel and Chief Risk Officer

♣ - Chairperson of the Board/ Committee | ✓ - Member

### Notes:

- Deepak Vaidya was appointed as a Member of the Risk Management Committee effective February 4, 2021
- Christoph Funke was appointed as a Member of the Risk Management Committee effective February 4, 2021
- Anjani Kumar was appointed as a Member of the Risk Management Committee effective October 29, 2020

Details of each member of the Board as at the date of this Report is attached as **Annexure CG 1**.



**2.2 Appointment, Re-appointment & Retirement by Rotation of Directors**

The Board has adopted provisions with respect to appointment and tenure of Directors consistent with the Companies Act, 2013 and the Listing Regulations.

**Re-appointment of Mr. Bharat Shah**

The Company has sought Member’s approval for re-appointment of Mr. Bharat Dhirajlal Shah (DIN: 00136969) as an Independent Director of the Company for a second term of three years commencing from June 15, 2021 upto June 14, 2024, through Postal Ballot Notice dated May 10, 2021.

Remote e-voting for the said proposal ends on June 11, 2021. The Company shall publish the result of the same on or before June 13, 2021.

**Retirement by Rotation & Reappointment of Mr. Deepak Vaidya**

Proposal for re-appointment of Mr. Deepak Vaidya, retiring director, as Non-Executive Director, shall be placed before Members of the Company for their approval at the ensuing AGM.

Your directors recommend his re-appointment to the Board.

**2.3 Induction & Familiarisation programs for Board Members**

Company has an orientation process/ familiarisation program for induction of its Directors, which aims to provide insights to the newly inducted Directors about the Company, its operations and business.

On being appointed to the Board, each Director undergoes a comprehensive orientation process and are provided with induction kit which includes details about the Company, its business profile & group structure, investor engagements undertaken by the Company, Board and Audit Governance process, amongst others.

Further, during the quarterly meetings, Company schedules meetings with business heads and functional heads with the Board. During these meetings, comprehensive presentations are made on the various aspects such as business models, new business strategies and initiatives by Business Leaders, risk minimisation procedures, recent trends in pharma industry, digital transformation and regulatory regime affecting the Company. These meetings also facilitate Board Members to provide their inputs and suggestions on various strategic and operational matters directly to the business and functional heads.

Policy on familiarisation program for non-executive directors is uploaded on the website of the Company at <https://www.strides.com/investor-committeboard.html>

**2.4 Key Board skills/ expertise/ competence of the Board of Directors**

The Board of Directors are collectively responsible for selection of a Member on the Board. The Nomination and Remuneration Committee of the Company follows a defined criterion for identifying, screening, recruiting and recommending candidates for election as a Director on the Board.

Board skill matrix identified by the Board are listed below. These skills/ competencies are broad-based, encompassing several areas of expertise/experience.

Each Director may possess varied combinations of skills/ experience within the described set of parameters and it is not necessary that all Directors possess all skills/ experience listed therein.

Area of Expertise	Remarks
Management and Leadership Experience	Strong management and leadership experience including in areas of business development, strategic planning and mergers and acquisitions, ideally with major corporates with successful multinational operations in manufacturing, international business, scientific research and development, senior level government experience and academic background.
Functional and Managerial Experience	Knowledge and skills in accounting and finance, business judgment, general management practices and processes, crisis response and management, industry knowledge, macro-economic perspectives, human resources, labour laws, international markets, sales and marketing, and risk management.
Pharma Business	Understanding of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
Corporate Governance	Developing governance practices, serving the best interest of all stakeholders, maintaining board and management accountability, building long term effective stakeholder engagements and driving corporate ethics and values.
Personal Values	Personal characteristics matching the company's values. Viz., Integrity, Collaboration and Efficiency.

Specific mapping of Directors’ skills/ expertise/ competence in line with the above criteria has been provided in **Annexure CG 1**.

**2.5 Nomination and Remuneration Policy for the Board of Directors, KMP and SMP**

The Company has formulated a Nomination and Remuneration Policy for the Board of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) of the Company which is uploaded on the website of the Company, i.e., <https://www.strides.com/investor-committeboard.html>

**2.6 Board Evaluation**

Board evaluation framework at Strides has been designed in compliance with the requirements under the Companies Act, 2013 and the Listing Regulations, and in accordance with the Guidance Note on Board Evaluation issued by SEBI in January 2017.

In line with the Board Evaluation policy of the Company, annual performance evaluation for FY 2020-21 was conducted for all Board Members as well as for working of the Board and its Committees.

Evaluation was led by the Chairperson of the Nomination and Remuneration Committee and was conducted through questionnaire designed with qualitative parameters and feedback, based on ratings.

**2.7 Details of Remuneration paid to Directors**

**2.7.1 Remuneration to Non-Executive Directors**

The Non-Executive Directors (NEDs) are entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board/Committee meetings and commission as detailed hereunder:

- 1) Sitting Fees - NEDs receive sitting fees of ₹100,000/- each for attending each of the meetings of the Board and Audit Committee;
- 2) Commission - For FY 2020-21, the Board of Directors have approved a commission of ₹10 lakhs per Non-Executive Director of the Company.

**Details of remuneration paid/ payable to Non-Executive Directors for FY 2020-21 is as under:**

#	Name of the Directors	Sitting fee (₹)	Commission (₹)	Others (₹)	Total (₹)
1	Arun Kumar	5,00,000/-	10,00,000/-	62,70,000/-*	77,70,000/-
2	Deepak Vaidya	17,00,000/-	10,00,000/-	-	27,00,000/-
3	S Sridhar	17,00,000/-	10,00,000/-	-	27,00,000/-
4	Bharat Shah	17,00,000/-	10,00,000/-	-	27,00,000/-
5	Homi Rustam Khusrokhhan	17,00,000/-	10,00,000/-	-	27,00,000/-
6	Dr. Kausalya Santhanam	17,00,000/-	10,00,000/-	-	27,00,000/-
	<b>Total</b>	<b>90,00,000/-</b>	<b>60,00,000/-</b>	<b>62,70,000/-</b>	<b>2,12,70,000/-</b>

\*Refers to Full & Final Settlement paid to Mr. Arun Kumar for his tenure as Executive Director of the Company during FY 2019-20

**2.7.2 Details of remuneration paid to the Independent Directors who were appointed on the Board of Material Subsidiaries during FY 2020-21:**

As per the provisions of Regulation 24 of the Listing Regulations, Dr. Kausalya Santhanam, Independent Director of Strides, was holding Directorship on the Board of the following four material subsidiaries of the Company during FY 2020-21. Sitting fees paid by each of these entities to Dr. Kausalya Santhanam is USD 1,500 per quarter as under:

#	Name of the entity	Total Amount paid for FY 2020-21	Date of Appointment
1	Strides Pharma Asia Pte. Ltd, Singapore	USD 6,000/-	January 25, 2020
2	Strides Pharma Global Pte. Limited, Singapore	USD 6,000/-	January 25, 2020
3	Strides Arcolab International Limited, UK	USD 4,500/-	July 1, 2020
4	Strides Pharma Inc, USA	USD 4,500/-	July 1, 2020

**2.7.3 Remuneration to Executive Directors**

The Company pays remuneration in combination of fixed and variable component to its Executive Directors.

The Board of Directors, on the recommendation of the NRC, approves remuneration to Executive Directors including annual increments, performance based payouts, etc in line with the remuneration approved by Members of the Company.

**Details of remuneration paid/ payable to Executive Directors during the Financial Year 2020-21 is as under:**

**Actual payouts in FY 2020-21**

Particulars	Amount in ₹	
	Dr. R Ananthanarayanan	Mr. Badree Komandur
Salary & Allowances	5,50,51,953	3,28,90,054
Employer's contribution to PF including pension	49,48,047	20,12,787
Perquisite value	45,500	26,03,750
Performance Linked payouts*	-	62,50,000
Joining Bonus**	5,80,00,000	-
<b>TOTAL</b>	<b>11,80,45,500</b>	<b>4,37,56,591</b>

\*Relates to performance of FY 2019-20, paid during FY 2020-21

\*\*Part of total joining bonus of ~INR 14.19 Crores, paid to Dr. Ananth in FY 2020 & FY 2021, in line with the approval of the Board and shareholders of the Company and is subject to a clawback provision

**Notes**

- The above payments does not include accruals related to variable pay and other performance linked payouts for FY 2020-21 considered in the accounts of the Company for FY 2020-21
- The above payments are in line with the approval taken from the Members of the Company in their meeting held on August 20, 2020.

**2.7.4 Service Contracts, Notice Period and Severance Fees relating to Executive Directors**

**Dr. R Ananthanarayanan, Managing Director & CEO**

As per the terms of appointment of Dr. Ananth, his contract of employment is terminable by six months' notice on either side or payment of six months' salary in lieu of notice by the company, and either party is not bound to give any reasons thereof.

Dr. Ananth was paid joining bonus of ~₹14.19 Crore, in tranches, which is subject to claw back

provisions on the full value, should Dr. Ananth decide to leave the organisation within 36 months from the respective date of disbursements.

**Mr. Badree Komandur, Executive Director Finance & Group CFO**

As per the terms of his appointment, Notice period is three months with NIL severance fee.

**2.7.5 Details of Stock Options held by Directors**

Except Mr. Badree Komandur, no other Directors of the Company holds any stock options of the Company. Stock options held by Badree under Strides ESOP 2016 Plan are as follows:

No. of Options granted	Date of Grant	Price per option(₹)	No. of options exercised till date	No. of options lapsed	No. of Outstanding options
1,00,000	14 Aug 2017	555.18*	NIL	50,000	50,000
25,000	8 Aug 2018	301.00	12,500	NIL	12,500

\*Originally granted at ₹656.10. Re-priced in 2018 pursuant to demerger of API Business.

**3 Committees of the Board**

Board has constituted sub-committees to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each Committee of the Board is guided by its Charter, which defines the scope, powers and composition of the Committee.

All decisions and recommendations of the Committees are placed before the Board for information or approval. During the financial year, the Board has accepted all the recommendations of Committees.

Board has constituted the following Statutory Committees:

- Audit Committee;
- Nomination and Remuneration Committee (NRC);
- Stakeholders' Relationship Committee (SHR Committee);
- Corporate Social Responsibility Committee (CSR Committee);
- Risk Management Committee (RMC)

**3.1 Audit Committee**

Terms of reference of the Audit Committee

Terms of reference of the Audit Committee covers the areas mentioned in Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II to the SEBI Listing Regulations.

Terms of reference of the Audit Committee, inter alia, includes the following:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Examination of the Company's financial statements and Auditor's Report on the same.
- Discuss and review with the Management and Auditors, the annual/ quarterly financial statements before submission to the Board for approval.
- Review of Management Discussion and Analysis of financial condition and results of operations.
- Recommend to the Board appointment, re-appointment, removal of the Statutory Auditors, fixation of audit fee and approval for payment for any non-audit services rendered by the Statutory Auditors.
- Reviewing and monitoring the auditor's independence & performance and effectiveness of audit process.
- Review the appointment, removal and terms of remuneration of the Internal Auditor.
- Review on a regular basis the adequacy of internal audit function, the structure of the internal audit department, approval of the internal audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discuss with internal auditors any significant findings and follow up thereon.
- Review with Management, Statutory Auditors and Internal Auditors about the adequacy of internal control systems and related matters.

- Review of Management letters/ letters of internal control weakness issued by Statutory Auditors/ Internal Auditors.
- Review the appointment, removal and terms of remuneration payable to the Cost Auditor.
- Evaluation of internal financial controls and risk management systems.
- Review and approval of Related Party Transactions.
- Reviewing the functioning of the Whistle Blower mechanism.
- Review compliance of provisions of Insider Trading Regulations and verify that systems for internal control are adequate and operating effectively, at-least once in a financial year.

In addition, the Committee is also required to discharge such other roles/ functions as envisaged under the Companies Act, 2013 and Listing Regulations.

**3.2 Nomination and Remuneration Committee**

**Terms of reference of the Committee**

Terms of reference of the NRC Committee covers the areas mentioned in Section 178 of the Act and Regulation 19 read with Part D (A) of Schedule II to the SEBI Listing Regulations.

Terms of reference of the NRC, inter alia, includes the following:

- To periodically review the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company as a whole.
- To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate a criteria for evaluation of performance of all Independent Directors and the Board.
- Committee to carry out evaluation of every Director's performance.
- Committee to determine whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

- f) To formulate criteria and evaluate the performance of the statutory committees of the Board viz., Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee and any other Committee as duly constituted by the Board of Directors.
- g) To devise a policy on Board diversity and assist the Board in ensuring Board nomination process addresses diversity of gender, knowledge, experience, and perspective.
- h) Identify persons who are qualified to become Directors and who may be appointed as Senior Management Personnel (SMP), in accordance with the criteria laid down in the policy.
- i) To recommend to the Board the appointment and removal of Directors and SMP, in accordance with the criteria laid down in the policy.
- j) To recommend to the Board, a policy relating to remuneration of Directors, Key Managerial Personnel (KMP) and SMP.
- k) To recommend to the Board, all remuneration, in whatever form, payable to Senior Management Personnel.
- l) To establish and review plans relating to orderly succession for appointment of the Board, KMP and SMP.
- m) To assist the Board of Directors in the Board's overall responsibilities relating to Employee Stock Options Plans, including the administration of the Company's ESOP and other incentive plans and the interpretation and adoption of rules for the operation thereof.
- n) To carry out any other function as may be mandated by the Board from time to time and/ or enforced by any statutory notification, amendment or modification, as may be applicable.

**3.3 Stakeholders' Relationship Committee**

**Terms of reference of the Committee**

Terms of reference of the Stakeholders' Relationship Committee covers the areas mentioned in Section 178 (5) of the Act and Regulation 20 read with Part D (B) of Schedule II to the SEBI Listing Regulations.

**Terms of reference of the SHR Committee, inter alia, are as follows:**

- a) To look into various aspects of interest of shareholders and other security holders of the Company.

- b) To monitor and resolve grievances of securities holders of the Company including but not limited to complaints related to transfer/ transmission of shares, issue of new/ duplicate share certificates, non-receipt of annual report, non-receipt of declared dividends, general meetings etc.
- c) Review of measures taken for effective exercise of voting rights by shareholders.
- d) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- e) Review of various measures and initiatives taken by the Company relating to unclaimed dividends (including reducing the quantum of unclaimed dividend) and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company.
- f) To act as a delegated authority of the Board of Directors to expedite the process of securities transfers, transmission, transposition, deletion of name of the deceased holder and noting of the same upon completion of the process.
- g) To act as a delegated authority of the Board of Directors to approve issue of duplicate share certificates/ other certificate of document issued in respect of any other securities of the Company;
- h) To note the issue of share certificates or any other certificates issued in respect of any securities of the Company, in relation to dematerialisation, re-materialisation, splitting and consolidation of shareholding;
- i) Printing of share certificates or any other certificate of document issued in respect of any other securities of the Company;
- j) To seek information from Share Transfer Agent from time to time;

In addition, the Committee is also required to discharge such other roles/ functions as envisaged under the Companies Act, 2013 and Listing Regulations.

**3.4 Corporate Social Responsibility (CSR) Committee**

**Terms of reference of the Committee**

Terms of Reference of the CSR Committee, inter alia, includes the following:

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy ("CSR

Policy") which shall indicate the activities to be undertaken by the Company in areas/ subject as specified in Schedule VII of the Act and shall monitor the CSR Policy from time to time;

- b) Formulate and recommend to the Board an Annual Action Plan for the identified CSR Projects and recommend the amount of expenditure to be incurred on such activities;
- c) To ensure the disbursed funds are utilised for the purposes and in the manner approved. In this regard, Chief Financial Officer of the Company to provide confirmation to the Committee.
- d) Ensure that the Company is taking appropriate measures to undertake and implement CSR projects successfully;
- e) The Committee, at its sole authority, may seek the advice of outside experts or consultants at the Company's expense where judged necessary, to discharge its duties and responsibilities.
- f) The Committee to seek services of Independent Agency to carry out Impact Assessment of CSR Projects as may be required.

At Strides, CSR initiatives help address socio-economic challenges in the realms of health, education and employability.

A detailed report on the CSR activities undertaken during the year, together with its monitoring and spending is annexed to the Board's Report as **Annexure 4**.

**3.5 Risk Management Committee**

**Terms of reference of the Committee**

Terms of Reference of the Risk Management Committee, inter alia, includes the following:

- a) To advise the Board in identification and managing the full range of risks the enterprise faces.
- b) Provide oversight during the design and implementation of a comprehensive risk management framework and common-sense approach to manage risks across the entire organisation.
- c) Establish and communicate risk vision and philosophy, approve risk strategy and establish risk appetite.
- d) Review and approve the Enterprise Risk Management framework of company on a periodic basis. The Committee shall review and approve the risk management culture, processes and practices of the company.

- e) Monitor and review the exposures of the material risks and assess management preparedness to deal with the risk and associated events.
- f) Review and approve the enterprise risk management (ERM) working plan and utilise risk for the enterprise's competitive advantage.
- g) Overseeing key risks, including strategic, financial, operational, cyber and compliance risks.
- h) Oversee and guide the development and implementation of ERM policies, procedures, guidelines.
- i) Advise the Board on all matters related to ERM. Engage other stakeholders in the risk management process when the need is identified. Facilitate communication of ERM information.
- j) Disseminate to the enterprise the upside of risk and the opportunities it can present, rather than the traditional perspective of "risk as hazard".
- k) Risk Management Committee may form and delegate authority to a sub-committee, which shall assist the Committee to project manage the ERM.
- l) To carry out any other functions as prescribed under the Listing Regulations and other Applicable Laws.

**4 Meetings of the Board and Committees**

With a view to leverage technology the Company has adopted digital meetings platform for its Board and Committee meetings, which can be accessed through web version, iOS and Android based application.

Board/ Committee Agenda and related notes are made available to the Directors through this application which meets high standards of security and integrity that is required for storage and transmission of Board/ Committee related documents in electronic form.

Quarterly Board meetings are pre-scheduled, and a tentative annual calendar of such Board meetings is agreed to facilitate the Directors plan their schedules and to ensure meaningful participation.

However, in case of a special and urgent business need, either a Board Meeting is convened at shorter notice or Board's approval is obtained by a circular resolution, depending on the matter to be transacted.

**4.1 Board Meetings held during the year**

During the year under review, the Board met 9 times. These meetings were held on May 20, 2020, August 05, 2020, September 14, 2020, October 29, 2020,

November 26, 2020, February 04, 2021, March 02, 2021, March 12, 2021 and March 31, 2021.

#### 4.2 Meetings of Independent Directors

Independent Directors of the Company met on May 21, 2020 to evaluate the performance of the Non-Independent Directors, the Board as a whole along with the performance of various Committees of the Board, performance of the Chairperson of the Board taking into account the views of Executive Directors and Non-Executive Directors.

Independent Directors also discussed various aspects including the quality, quantity and timeliness of the flow of information between the Management and the Board that is necessary for it to effectively and reasonably perform its duties.

#### 4.3 Committee meetings held during the year

##### 4.3.1 Audit Committee

Audit Committee met 8 times during the period under review i.e., on May 20, 2020, August 05, 2020, September 14, 2020, October 29, 2020, February 04, 2021, March 02, 2021, March 12, 2021 and March 31, 2021. Attendance of members at the Committee Meeting is provided at Item No. 4.3.6 below.

Invitees to the Audit Committee Meeting include other board members who are not part of the Committee, Group General Counsel & Chief Risk Officer, Statutory Auditors and Internal Auditor.

##### 4.3.6 Attendance of members of Board and Committees at the meetings held during FY 2020-21\*

Board & Committees	Board Meeting	Audit Committee	NRC Committee	SHR Committee	CSR Committee	RMC
<b>Number of Meetings held</b>	<b>9</b>	<b>8</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>2</b>
<b>Members' attendance</b>						
Arun Kumar	5	NA	NA	4	1	NA
Deepak Vaidya	9	8	3	4	2	-
S Sridhar	9	8	3	4	NA	2
Bharat Shah	9	8	3	4	NA	2
Dr. Kausalya Santhanam	9	8	3	NA	2	NA
Homi Rustam Khusrokhani	9	8	3	NA	2	2
Dr. R Ananthanarayanan	7	NA	NA	4	NA	2
Badree Komandur	9	NA	NA	NA	NA	2
<b>Management members forming part of the Risk Management Committee</b>						
Christoph Funke						NA
Umesh Kale						2
Anjani Kumar						1
Sormistha Ghosh						2
Ramaraju PVS						2

\*Considering the COVID-19 pandemic, and as permitted by the Ministry of Corporate Affairs and SEBI, all the meetings during the financial year has been conducted through Video Conference

**Notes:**

- Deepak Vaidya was appointed as a Member of the Risk Management Committee effective February 4, 2021
- Christoph Funke was appointed as a Member of the Risk Management Committee effective February 4, 2021
- Anjani Kumar was appointed as a Member of the Risk Management Committee effective October 29, 2020
- Ramaraju PVS stepped down from the Risk Management Committee effective December 31, 2020

##### 4.3.2 Nomination and Remuneration Committee (NRC)

The NRC met 3 times during the period under review on May 20, 2020, August 04, 2020, October 29, 2020. Attendance of members at the Committee Meetings is provided at Item No. 4.3.6 below.

##### 4.3.3 Stakeholders Relationship Committee (SRC)

The SRC met 4 times during the period under review i.e. on May 20, 2020, August 04, 2020, October 29, 2020 and February 04, 2021. Attendance of members at the Committee Meeting is provided at Item No. 4.3.6 below.

##### 4.3.4 CSR Committee

The CSR Committee met 2 times during the period under review i.e., on May 20, 2020 and March 31, 2021. Attendance of members at the Committee Meeting is provided at Item No. 4.3.6 below.

##### 4.3.5 Risk Management Committee (RMC)

RMC met 2 times during the period under review on May 21, 2020 and October 29, 2020. Attendance of members at the Committee Meetings is provided at Item No. 4.3.6 below.

## 5. Shareholders' Governance and Communication

The Companies Act, 2013 and Listing Regulations prescribe the governance mechanism of shareholders in terms of passing of ordinary and special resolutions, voting rights, participation in the corporate actions etc.

Company recognises the importance of two-way communication with shareholders and giving a balanced report of results and progress and responding to questions and issues raised in a timely and consistent manner.

The Company regularly communicates to its stakeholders through results announcement, annual

report, media releases, and hosting information on Company's website.

The Company also conducts earnings call post the quarterly Board Meetings, to discuss on the results of the Company and the earning call transcripts are hosted on the Company's website.

Shareholders seeking information related to their shareholding may contact the Company directly or through KFin Technologies Private Limited, Company's Registrars and Transfer Agents, details of whom are available on the Company's website.

The Company ensures that queries & complaints of its shareholders are responded to in a timely manner.

### 5.1 Key contacts for Investors' Correspondence

Registered Office	Corporate Office	Registrars & Share Transfer Agents
No. 201, 'Devavrata' Sector 17, Vashi, Navi Mumbai - 400 703 Tel. No. +91-22-2789 2924	Strides House, Bilekahalli, Bannerghatta Road, Bengaluru - 560 076 Tel. No.: +91 80 6784 0000/ 0290 E-mail: investors@strides.com Website: www.strides.com	KFin Technologies Private Limited, Selenium Tower B, Plot No. 31 & 32, Financial District Nanakramguda, Serilingampally Mandal, Hyderabad - 500032 Toll Free No: 1- 800-309-4001 E-Mail: einward.ris@kfintech.com Website: https://www.kfintech.com/ https://ris.kfintech.com/
<b>Investor Relations Team</b>	<b>Compliance Officer</b>	<b>PR Agency</b>
Mr. Badree Komandur Tel. No.: +91 80 6784 0747	Ms. Manjula Ramamurthy Company Secretary Tel. No.: +91 80 6784 0734 E-mail: manjula.r@strides.com	<b>Fortuna PR</b> K Srinivas Reddy Tel. No.: +91 90005 27213 E-mail: srinivas@fortunapr.com  K Priya Tel. No.: +91 95354 25418 E-mail: priya@fortunapr.com
Mr. Sandeep Baid Tel. No.: +91 80 6784 0791		

The Company's designated E-mail for investor complaints is investors@strides.com

### 5.2 Means of Communication

#### a) Quarterly, Half yearly and Annual financial results

The quarterly, half yearly and annual results of the Company as approved by the Board of Directors are submitted to the Stock Exchanges where the Company's shares are listed.

Further, the quarterly, half yearly and annual results of the Company are also published in Financial Express and Lokmat, local vernacular daily.

These are also disseminated through our PR Agency and made available on the Company's website: www.strides.com.

The Company also conducts earnings calls with analysts and investors and their transcripts are published on the website thereafter.

b) Notice to shareholders relating to transfer of shares in respect of the dividends which has remained unpaid or unclaimed for seven consecutive years to the Investors Education and Protection Fund was published in Business Standard and in the local vernacular daily, Navshakti/ Lokmat.

**c) News releases, presentations, etc.:**  
The Company has established systems and procedures to disseminate relevant information to its stakeholders including shareholders, analysts, suppliers, customers, employees and the society at large.

Regular updates about the Company in the form of news releases, stock exchange intimations, investor presentations etc., are displayed on the Company's website.

**d) Compliance Filings with Stock Exchanges**  
All periodical compliance filings including shareholding pattern, corporate governance report, media releases, among others are filed electronically on NSE Electronic Application Processing System (NeAPS) and BSE Corporate Compliance & Listing Centre.

**e) SEBI Complaints Redress System (SCORES)**  
Investors' complaints are also being processed through the centralised web base complaint redressal system of SEBI (SCORES). SCORES enables speedy and effective resolution of complaints filed therein.

**f) Website**  
The primary source of information regarding the operations of the Company is the corporate website: [www.strides.com](http://www.strides.com)

It contains a dedicated section for 'Shareholders', 'Investors' and 'Media' where the latest and updated information about financials/ activities of the Company are available.

The Website of the Company also displays official news releases and presentations made to the institutional investors and analysts from time to time.

**g) Annual report**  
In view of continuing COVID-19 pandemic, the Ministry of Corporate Affairs (MCA), Government of India and the Securities Exchange Board of India (SEBI) have permitted companies to conduct Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM), subject to compliance of various conditions mentioned therein.

Further, Companies are also permitted to share notices and reports only through electronic mode to those Members whose email ids are available with the Company/ Depositories/ RTA.

In compliance with the provisions of MCA and SEBI Circulars, Notice of the 30<sup>th</sup> AGM along with the Annual Report for FY 2020-21, are being sent only through electronic mode to those Members whose email ids are registered with the Company/ Depositories/ RTA.

Strides' annual report is also available at [www.strides.com](http://www.strides.com).

**5.3 General Meetings and Postal Ballot**

**5.3.1 Annual General Meeting**

The Twenty-Ninth AGM of the Company was held on Thursday, August 20, 2020 at 15.00 hours IST.

The Meeting was attended by the all the Directors of the Company.

**5.3.2 General Meetings and Tribunal Convened Meetings held during the preceding three years**

Details of the General Meetings and Tribunal Convened Meetings held during the preceding three years and Special Resolutions passed therein are summarised as under:

AGM/ EGM	Date /Time	Venue	Special Resolutions passed
AGM for FY ending March 31, 2020	August 20, 2020 at 15:00 hours IST	Through video conferencing / other audio - visual means Considering the COVID-19 pandemic and as permitted by the Ministry of Corporate Affairs	1) Appointment of Dr. R Ananthanarayanan as a Managing Director & Chief Executive Officer of the Company; 2) Re-appointment of Mr. Badree Komandur as an Executive Director-Finance & Group CFO of the Company
AGM for FY ending March 31, 2019	July 30, 2019 at 11.30 hours IST	Hotel Four Points by Sheraton, Plot No. - 39/1, 6 to 15, Sector - 30A, Vashi, Navi Mumbai - 400 701	1) Re-appointment of Mr. S Sridhar as Independent Director of the Company till the conclusion of 33 <sup>rd</sup> AGM; 2) Approval for continuation of Directorship of Mr. Deepak Vaidya as Non-Executive Director; 3) Amendment to Strides Employee Stock Option Plan 2016; 4) Payment of commission to Non-Executive Directors of the Company

AGM/ EGM	Date /Time	Venue	Special Resolutions passed
AGM for FY ending March 31, 2018	September 24, 2018 at 12.15 PM	Hotel Four Points by Sheraton, Plot No. - 39/1, 6 to 15, Sector - 30A, Vashi, Navi Mumbai - 400 701	1) Appointment of Mr. Arun Kumar as Executive Director of the Company; 2) Approval for the continuation of Mr. Homi Rustam Khusrokhani as an Independent Director; 3) Approval for grant of loan and continuing of guarantee/ security provided to Stelis Biopharma Private Limited
Tribunal convened Meeting	February 20, 2020 at 12.00 Noon	Hotel Four Points by Sheraton, Plot No. - 39/1, 6 to 15, Sector - 30A, Vashi, Navi Mumbai - 400 701	Merger of the following three Direct/ Indirect Wholly owned Subsidiaries of Strides Pharma Science with itself. <ul style="list-style-type: none"><li>Strides Emerging Markets Limited</li><li>Arrow Remedies Private Limited</li><li>Fagris Medica Private Limited</li></ul>
Extraordinary General Meeting	March 27, 2019 at 11.30 hours IST	Hotel Ritz Carlton, Residency Road, Bengaluru - 560025	Divestment of Australian Business

**5.3.3 Postal Ballot/ E-voting**

During FY 2020-21, the Company conducted one Postal Ballot to seek approval of the shareholders through an Ordinary Resolution for Reclassification of SeQuent Scientific Limited from "Promoter Group" to "Public" category.

Mr. Binoy Chacko, Partner of M/s. Joseph and Chacko LLP, Company Secretaries was the Scrutiniser for conducting the Postal Ballot/ e-voting process in a fair and transparent manner.

Notice of Postal Ballot was dated February 04, 2021 and the consolidated results of the same was announced on March 17, 2021.

No. of votes polled	Votes Cast in Favor (% to total votes polled)	Votes Cast against (% to total votes polled)	Invalid Votes (% to total votes polled)	Abstained (% to total votes polled)
5,94,78,653	5,94,44,075 (99.942%)	1,777 (0.003%)	-	32,801 (0.055%)

As on the date of this report, Postal Ballot Notice dated May 10, 2021 seeking approval for reappointment of Mr. Bharat Shah as Independent Director of the Company is open for Member's e-voting.

Except the above, there is no other proposals to obtain approval of the members of the Company by way of Postal Ballot.

**Procedure adopted by the Company for Postal Ballot**

In view of the current extraordinary circumstances due to COVID-19 pandemic requiring social distancing, MCA in terms of its General Circulars, has advised the companies to take all decisions of urgent nature requiring members' approval, other than items of ordinary business or business where any person has a right to be heard, through the mechanism of Postal Ballot/ E-Voting in accordance with the provisions of the Act and Rules made thereunder, without holding a general meeting that requires physical presence of members at a common venue.

the same, to all the Members whose names appear in the Register of Members/ list of Beneficial Owners as received from the National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) or Registrar and Share Transfer Agent ("KFin Technologies Private Limited") as on the cut-off date to their email IDs registered with the Company/ Depositories/ RTA.

The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013 and applicable Regulations.

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with related Rules, the Company provides electronic voting (e-voting) facility to all its members. The Company engages the services of KFin Technologies Private Limited ("KFinTech/ Registrar") for the purpose of providing e-voting. Voting rights are reckoned on the number of shares registered as on the cut-off date.

Further, in terms of the General Circulars, the Company shall send Postal Ballot Notice by email to all its Members who have registered their email addresses with the Company or depository/ depository participants and the communication of assent / dissent of the Members shall only take place through the remote e-voting system.

Accordingly, the Company dispatches Postal Ballot Notice, together with the documents accompanying

The Scrutiniser submits his report to the Chairperson/ Company Secretary, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairperson/ authorised officer. The results are also displayed on the Company website, www.strides.com, and also on the website of KFintech i.e., https://evoting.karvy.com, besides being communicated to BSE Limited and the National Stock Exchange of India Limited on which the shares of the Company are listed.

**5.4 General Shareholders Information**

**5.4.1 Annual General Meeting – FY 2020-21**

Day/ Date/ Time	Friday, September 3, 2021 from 12:30 hours IST
Mode	Video Conference and other Audio-Visual Means
Record Date for dividend	Friday, August 6, 2021
E-voting Dates	Commences on Monday, August 30, 2021  Ends on Thursday, September 2, 2021

**5.4.2 Financial Calendar for the Financial Year 2021-22**

Financial Reporting for Quarter/ Half Year ended/ Annual	During
June 30, 2021	August, 2021
September 30, 2021	October, 2021
December 31, 2021	January, 2022
March 31, 2022	May, 2022

**5.5 Dividend**

The Board of Directors of the Company at their meeting held on May 27, 2021 have recommended a dividend of ₹2.50 per share on equity share of face value of ₹10/- each for the Financial Year ended March 31, 2021, subject to the approval of the shareholders at the ensuing AGM.

Dividend, if approved by shareholders, will be paid within 30 days from the date of approval by the Members.

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	1,096	67,978
Shareholders who approached the Company for transfer of shares from suspense account during the year	3	258
Shareholders to whom shares were transferred from the suspense account during the year	3	258
Aggregate number of shareholders and shares which were transferred to IEPF as per the MCA Circular	38	545
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2021	1,055	67,175

Voting rights on the shares outstanding in the suspense account as on March 31, 2021 remains frozen till the rightful owner claims the shares.

Company provides the facility of payment of dividend to the shareholders by directly crediting the dividend amount to the shareholder's bank account and by way of demand drafts.

Members are requested to register and/or update their banking details with the Company/ RTA/ Depository Participants, as the case may be, to enable credit of dividend to their bank accounts directly.

To prevent fraudulent encashment of dividend, shareholders are requested to provide their bank account details (if not provided earlier) to the Company/its RTA (if shares held in physical form) or to DPs (if shares held in electronic form), as the case may be, for printing of the same on the dividend warrants / demand drafts.

**5.6 Unclaimed Shares Suspense Account**

Pursuant to Regulation 39(4) of Listing Regulations read with Schedule VI of the said Regulations, the Company has dematerialised shares which have been returned undelivered by postal authorities and shares lying unclaimed. The dematerialised shares are held in an 'unclaimed suspense account' opened with Kotak Securities Limited.

Any corporate benefits accruing on such shares shall also be credited to unclaimed suspense account, for a period of seven years and thereafter shall be transferred by the Company to Investor Education and Protection Fund (IEPF), in accordance with provisions of Section 124(5) and (6) of the Companies Act, 2013 and rules made thereunder.

In accordance with the provisions of the Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account.

**5.7 Unclaimed dividends and transfer of dividend and shares to Investor Education & Protection Fund (IEPF)**

In accordance with the provisions of Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 dividends not encashed/ claimed within seven years from the date of declaration are to be transferred to the IEPF Authority.

The IEPF Rules mandate companies to transfer shares of Members whose dividends remain unpaid/ unclaimed for a continuous period of seven years to the demat account of IEPF Authority. The Members whose dividend/ shares are transferred to the IEPF Authority can claim their shares/ dividend from the Authority.

In accordance with the IEPF Rules, Company had sent notices to all the Shareholders whose shares were due to be transferred to the IEPF Authority and simultaneously published newspaper advertisements.

In terms of the provisions of IEPF Rules, ₹3,90,42,007.31 of unpaid/unclaimed dividends and 4,008 shares were transferred during the financial year 2020-21 to IEPF.

Ms. Manjula Ramamurthy, Company Secretary is the Nodal Officer of the Company under the provisions of IEPF.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2021 on the Company's website.

**5.8 Due date for transfer of unpaid/ unclaimed dividend to IEPF is as follows:**

Financial Year Ending	Type of Dividend	Dividend Rate	Date of declaration	Due date for transfer to IEPF
31 March 2014	Final	50%	09 September 2014	15 October 2021
31 March 2015	Special	1050%	07 October 2014	12 November 2021
	Final	30%	30 July 2015	04 September 2022
31 March 2016	Final	40%	29 July 2016	03 September 2023
31 March 2017	Final	45%	15 September 2017	21 October 2024
31 March 2018	Final	20%	24 September 2018	30 October 2025
31 March 2019	Final	30%	30 July 2019	04 September 2026
31 March 2020	Interim	120%	29 July 2019	03 September 2026
31 March 2020	Final	20%	20 August 2020	25 October 2027
<b>Fractional Shares Account*</b>				
27 January 2016	NA	NA	NA	03 March 2023
<b>Unclaimed Shares Suspense Account**</b>				
17 August 2016	NA	NA	NA	22 September 2023

\* Arising on account of sale of fractional shares pursuant to merger of erstwhile Shasun with Strides;

\*\* Pursuant to unclaimed shares considered into Suspense Account as per Listing Regulations.

**5.9 Due dates for transfer of unpaid/ unclaimed dividends to IEPF relating to erstwhile Shasun Pharmaceuticals Limited which got merged with the Company effective November 19, 2015 is as follows:**

Financial Year Ending	Type of Dividend	Dividend Rate	Date of declaration	Due date for transfer to IEPF
31 March 2014	Final	50%	06 Aug 2014	11 September 2021
31 March 2016	Interim	50%	30 July 2015	04 September 2022

Members of the Company, who have not yet encashed their dividend, may write to the Company/ Registrar and Share Transfer Agents immediately.

**5.10 Email Registration**

Members who have not registered their email IDs with the depository participants, are requested to register their email IDs with their Depository Participants in respect of shares held in electronic form and in respect of shares held in physical form, are requested to submit their request with their valid e-mail IDs to RTA at [inward\\_ris@kfintech.com](mailto:inward_ris@kfintech.com) or [investors@strides.com](mailto:investors@strides.com) for receiving all the communications including annual report, notices, letters etc., in electronic mode from the Company.

## 6 Listing on Stock Exchanges and Stock Codes

The Company has paid listing fees to both the stock exchanges and there is no outstanding payment as on date of this report. Details of the scrip is as under:

Equity shares of the Company are listed on:

<b>BSE Limited</b> (Stock Code: 532531) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.	<b>National Stock Exchange of India Limited</b> (Stock Code: STAR) Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.
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ISIN of the Company is INE939A01011.

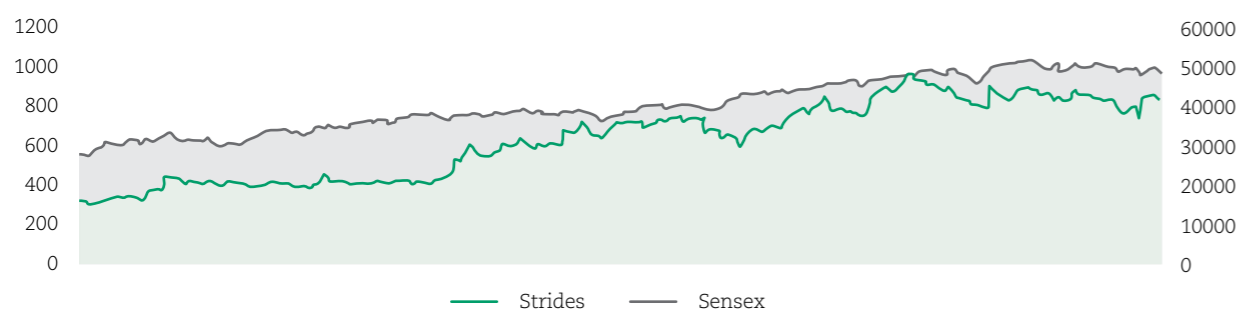
## 7 Market Price Data

The High and Low prices of the shares of the Company at NSE and BSE for the period under review is as under:

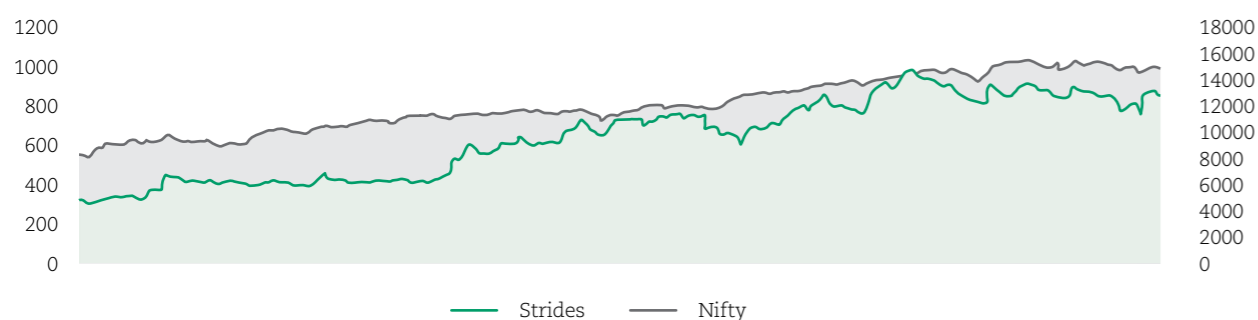
Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April, 2020	506.40	303.85	33,37,713.00	506.30	303.20	2,23,31,359.00
May, 2020	469.00	394.65	41,14,866.00	469.00	395.00	2,17,10,662.00
June, 2020	478.85	387.70	50,37,295.00	499.00	382.50	2,45,64,144.00
July, 2020	441.00	404.50	36,41,208.00	441.00	404.20	1,65,83,726.00
August, 2020	653.05	433.00	54,07,058.00	653.00	437.00	5,65,91,383.00
September, 2020	754.80	585.95	35,55,192.00	755.00	585.00	4,16,08,394.00
October, 2020	764.60	645.65	11,05,659.00	764.40	646.10	1,82,78,451.00
November, 2020	774.00	595.00	8,52,461.00	773.90	594.00	1,65,77,268.00
December, 2020	927.25	717.70	12,83,894.00	928.00	715.65	1,96,07,744.00
January, 2021	1,000.00	804.40	8,26,995.00	999.00	803.50	1,47,94,412.00
February, 2021	938.00	777.80	15,73,192.00	940.00	777.35	1,19,60,290.00
March, 2021	906.45	728.00	16,99,603.00	907.00	740.00	1,12,51,211.00

## 8 Performance of Strides Pharma Science Limited Share Price to Broad Based Index (BSE Sensex and NSE Nifty)

### BSE Chart



### NSE Chart



## 9 Share Transfer System

KFin Technologies Private Limited (Formerly, Karvy Fintech Private Limited), Hyderabad, who is the Registrar and Share Transfer Agents (KFintech), has been appointed to expedite the process of share transfers. All queries and requests relating to share transfers/ transmission may be addressed to KFintech. The share transfers lodged are being processed on a day-to-day basis and Memorandum of Transfers is generated on a fortnightly basis.

## 10 Distribution of Shareholding as at March 31, 2021

Slab of Shareholding	No. of Shareholders	% to Total Number of Shareholders	No. of Shares	Amount (₹)	Slab of Shareholding
1 – 5,000	70,486	95.16	46,24,780	4,62,47,800	5.16
5,001 – 10,000	1,693	2.29	12,78,579	1,27,85,790	1.43
10,001-20,000	873	1.18	12,59,355	1,25,93,550	1.40
20,001-30,000	282	0.38	7,13,580	71,35,800	0.80
30,001-40,000	147	0.20	5,29,315	52,93,150	0.59
40,001-50,000	101	0.14	4,74,327	47,43,270	0.53
50,001-1,00,000	158	0.21	11,64,240	1,16,42,400	1.30
1,00,001 and above	334	0.45	7,96,36,788	79,63,67,880	88.80
<b>TOTAL</b>	<b>74,074</b>	<b>100.00</b>	<b>8,96,80,964</b>	<b>89,68,09,640</b>	<b>100.00</b>

## 11 Shareholding Pattern as at March 31, 2021

#	Category	No. of shares held	% to total shareholding
1.	Promoters	2,66,10,081	29.67
2.	Mutual Funds	1,32,83,214	14.81
3.	Banks, Indian Financial Institutions, Insurance Companies	9,154	0.01
4.	Foreign Institutional Investors/ Foreign Portfolio Investors	2,22,62,845	24.82
5.	Bodies Corporate & NBFC	52,14,707	5.81
6.	Non-Resident Indians/ Foreign Nationals/ Overseas Corporate Bodies	19,42,902	2.17
7.	Qualified Institutional Buyers	52,75,948	5.88
8.	Others (including Indian Public, Clearing Members, Trust, etc.)	1,50,82,113	16.82
	<b>TOTAL</b>	<b>8,96,80,964</b>	<b>100.00</b>

## 12 Dematerialisation of Shares & Liquidity

The Company's shares are traded in dematerialised form. Company has established connectivity with both the Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through the Registrar, KFin Technologies Private Limited.

As at March 31, 2021, 99.83% of the paid-up share capital of the Company representing 8,95,27,470 shares has been dematerialised and balance 0.17% representing 1,53,494 shares of the Company is in physical form.

Members who continue to hold shares in physical form are advised to dematerialise their shares at the earliest. Further, in line with the SEBI circulars, Members are also requested to update their PAN and Bank details. For any clarification, assistance or information – members may contact the Company or KFintech.

## 13 Investor/ Shareholder Complaints

Details of complaints resolved during the period under review is as under:

#	Description	Opening balance as at April 1, 2020	No. of cases received during the year	Disposed during the year	Pending as at March 31, 2021
1	Non-receipt of dividend warrants	0	81	80	1*
2	Non-receipt of annual reports	0	0	0	0
3	Non-receipt of securities	0	7	7	0
4	Non-receipt of securities after transfer	0	0	0	0
5	Non-receipt of electronic credits	0	1	1	0
6	Non-receipt of duplicate/ transmission/ deletion of share certificates	0	1	1	0
7	Non-receipt of stickers against payment of AM	0	3	3	0
8	SEBI Complaints (SCORES)	0	3	3	0

#	Description	Opening balance as at April 1, 2020	No. of cases received during the year	Disposed during the year	Pending as at March 31, 2021
9	NSE/ BSE Complaints	0	1	1	0
10	Other Complaints (MCA/ROC)	0	0	0	0
	<b>Total</b>	<b>0</b>	<b>97</b>	<b>96</b>	<b>1*</b>

\*Case pending as on March 31, 2021 was resolved on April 09, 2021

## 14 Disclosures and Confirmations

### 14.1 Governance of Subsidiary Companies

Company has in place policy for Governance of subsidiaries which is drafted in line with the SEBI Listing Regulations. Policy is available at <https://www.strides.com/investor-committeboard.html>

Minutes of the Board Meetings of the subsidiary companies along with the details of significant transactions and arrangements entered into by the subsidiary companies are shared with the Board of Directors on a quarterly basis.

Details of investments, loans and guarantees, if any, made by the subsidiary companies are placed before and reviewed by the Audit Committee of the Company.

### 14.2 Reconciliation of Share Capital Audit

The Company conducts a share capital audit on a quarterly basis in accordance with requirements of Securities and Exchange Board of India (Depositories and Participants) Regulations 2018.

The Reconciliation of Share Capital Audit Report obtained from a Practicing Company Secretary, which has been submitted to the Stock Exchanges within the stipulated period, certifies that the equity shares of the Company held in the dematerialised form and in the physical form confirms to the issued and paid up equity share capital of the Company.

### 14.3 Secretarial Compliance Certificate

As per provisions of the Listing Regulations, the Company has obtained Secretarial Compliance Certificate on half yearly basis from a Practicing Company Secretary to the effect that all transfers/transmissions of shares are effected within stipulated time. The said certificate has also been submitted to the Stock Exchanges within the prescribed time.

### 14.4 Secretarial Audit

M/s. Gopalakrishnaraj H. H. & Associates, a firm of Company Secretaries in practice (Certificate of practice no. 4152) is the Secretarial Auditor for the company.

The Secretarial Audit for the FY 2020-21, inter alia, included audit of compliance with the Companies Act, 2013 (Act), and the Rules made under the Act, SEBI Listing Regulations amongst others.

The Secretarial Audit Report forms as an Annexure to Boards' Report and does not contain any qualification, reservation or adverse remarks.

### 14.5 Employee Stock Options

Statement providing detailed information on stock options granted to Employees under the Company's Employee Stock Option Schemes as required under the SEBI Regulation is annexed to the Board's Report as **Annexure 2**.

### 14.6 Manufacturing Facilities as at the date of this report:

#	Address
1	Strides Pharma Science Limited KRS Gardens, Suragajakkanahalli, Kasaba Hobli, Anekal Taluk, Bengaluru - 562 106, India
2	Strides Pharma Science Limited PIMS Road, Periyakalpet, Puducherry - 605 014, India
3	Strides Pharma Science Limited* #19/1,19/3, Chandapura, Sarjapura, Hobli, Anekal taluk, Bengaluru -560 099, India
4	Vivimed Life Sciences Private Limited Plot no. 101 to 108, SIDCO Industrial Estate, Alathur Village, Kancheepuram - 603 110, India
5	Strides Pharma Global Pte Ltd, Singapore 3 Tuas South Avenue 4, Singapore - 637610
6	Strides Pharma Inc, USA 2129 N. Congress Avenue, Riviera Beach, FL 33404
7	Beltapharm SpA, Italy 20095 Cusano ML, Via Stelvio, 66, Italy
8	Universal Corporation Limited, Kenya Club Road, Past Post Office, Plot No. 13777, P.O. Box 1748- 00902, Kikuyu Town, Kenya

\*This facility was earlier owned by Strides Emerging Markets Limited. Pursuant to the merger of Strides Emerging Markets Limited with the Company, effective December 1, 2020, this facility is owned by the Company.

**14.7** Fee paid by the listed entity and its subsidiaries to the statutory auditor i.e., BSR & Co. LLP, Chartered Accountant, and all entities in the network firm/network entity of which the statutory auditor is a part is ₹32.51 Million excluding applicable taxes and out of pocket expenses.

### 14.8 Declaration by Independent Directors

In accordance with Section 149 (7) of the Companies Act, 2013 and Regulation 25 (8) of Listing Regulations, each Independent Director has confirmed to

the Company that he/ she meets the criteria of independence as laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 16 (1) (b) of Listing Regulations as at March 31, 2021.

Board is of the opinion that the Independent Directors fulfil the conditions specified in the above said regulations and are independent of the management.

**14.9** In compliance with the Listing Regulations, Mr. Gopalakrishnaraj of M/s. Gopalakrishnaraj H & Associates, Company Secretaries, has issued a certificate as required under the Listing Regulations confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed as **Annexure CG 2** to this Report.

## 15 Other Affirmations & Disclosures

a) The Company has complied with all the mandatory requirements as prescribed under Listing Regulations including regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Listing Regulations and also a few non-mandatory requirements, as prescribed under Regulation 27(1) of the Listing Regulations like unmodified audit opinion on financial statements and appointment of separate persons to the post of Chairperson and Managing Director.

b) There are no materially significant related party transactions with its promoters, directors or management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company.

c) The Company has formulated policies for determining material subsidiaries and for transacting with Related Parties, which is uploaded on the website of the Company at <http://www.strides.com/investor-committeboard.html>

All the transactions with related parties are disclosed in Note no. 44 to the standalone financial statements in the Annual Report.

d) The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on matters relating

to capital markets during the last 3 years. No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any statutory authorities relating to the above.

e) The Company has formulated a Whistle Blower Policy for Directors and Stakeholders of the Company. None of the personnel of the Company has been denied access to the Audit Committee.

f) The Company is not exposed to any commodity price risk. The details of the Foreign Exchange Risk and Company's hedging activities forms part of the Notes to the Financial Statements.

g) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Particulars	Remarks
a. number of complaints filed during the financial year 2020-21	2
b. number of complaints disposed off during the financial year 2020-21	1
c. number of complaints pending as on end of the financial year March 31, 2021	1

### 15.2 Code of Conduct

Board has adopted Code of Conduct ('Code') for all Board Members and Senior Management of the Company. A copy of the said Code is available on the website of the Company [www.strides.com](http://www.strides.com).

The Code provides that members of the Board are required to avoid any interest in contracts entered into by the Company. If such an interest exists, the members are required to make disclosure to the Board and to abstain from discussion, voting or otherwise influencing on any matter in which the concerned Director has or may have such interest. The Code also restricts the Directors from accepting any gifts or incentives in their capacity as Director of the Company, except what is duly authorised under the Code.

All Board Members and Senior Management Personnel have confirmed compliance with the Code for the period under review.

A declaration to this effect signed by the Managing Director of the Company is attached as **Annexure CG 3** to this Report.

For and on behalf of the Board of Directors

Date: May 27, 2021  
Place: Bengaluru

**Dr. R Ananthanarayanan**  
Managing Director & CEO  
DIN: 02231540

**Badree Komandur**  
Executive Director - Finance & Group CFO  
DIN: 07803242



**Annexure CG 1**

Name of the Director and Director # Identification Number (DIN)	Designation	Date of initial appointment	Date of Re-appointment	Total Number of Directorships	Nuber of Chairmanship in Committees of Board	Number of Membership in Committees of the Board	No. of shares held in the Company	Directorship in other Listed Companies	Area of Expertise
1 Arun Kumar DIN - 00084845	Chairperson of Board & Non-Executive Director	June 28, 1990	April 1, 2020	2	-	1	13,85,797 (1.545%)	-	  
2 Deepak Vaidya DIN - 00337276	Non-Executive Director	January 16, 1998	-	11	3	9	1,82,000 (0.203%)	1. Indraprastha Medical Corporation Limited 2. Spandana Sphoorthy Financial Limited 3. Solara Active Pharma Sciences Limited	  
3 S Sridhar DIN - 00004272	Independent Director	July 27, 2012	July 30, 2019	10	5	7	48,750 (0.544%)	1. Jubilant Life Sciences Limited 2. Shriram Transport Finance Company Limited	  
4 Bharat Shah DIN - 00136969	Independent Director	July 25, 2014	June 15, 2016	10	1	7	96,424 (0.107%)	1. 3M India Limited 2. Exide Industries Limited 3. Mahindra Lifespace Developers Limited 4. Spandana Sphoorthy Financial Limited	  
5 Homi Rustam Khusrorkhan DIN- 00005085	Independent Director	May 18, 2017	-	4	2	3	-	1. Neuland Laboratories Limited	  



Management &amp; Leadership Experience



Functional &amp; Managerial Experience



Pharma Business



Corporate Governance



Personal Values

Name of the Director and Director # Identification Number (DIN)	Designation	Date of initial appointment	Date of Re-appointment	Total Number of Directorships	Nuber of Chairmanship in Committees of Board	Number of Membership in Committees of the Board	No. of shares held in the Company	Directorship in other Listed Companies	Area of Expertise
6 Dr. Kausalya Santhanam DIN - 06999168	Independent Director	December 11, 2019	-	3	0	3	1,003*	1. SeQuent Scientific Limited 2. Solara Active Pharma Sciences Limited	  
7 Dr. R Ananthanarayanan DIN - 02231540	Managing Director & CEO	January 9, 2020	-	1	0	1	-	-	  
8 Badree Komandur DIN - 07803242	Executive Director - Finance and Group CFO	May 18, 2017	May 18, 2020	1	0	0	12,500 (0.139%)	-	  



Management &amp; Leadership Experience



Functional &amp; Managerial Experience



Pharma Business



Corporate Governance



Personal Values

**Notes:**

\* 1,000 equity shares held jointly along with spouse

- While considering the total number of directorships, directorship in Public Companies and Private Companies and Alternate Directorships (including Nominee Directorship) are considered. Directorships in Foreign Companies and Section 8 Companies, if any, have been excluded.
- Further, position held in the Company as Director and Member/ or Chairperson of Committee is included above
- None of the Directors is a member of the Board of more than twenty companies or a member of more than ten Board-level Committees or Chairperson of more than five Committees across all listed/ public entities.
- None of the Independent Directors serve as an Independent Director on more than seven listed entities.
- In accordance with the provisions of Listing Regulations, while considering the position held as Member/ Chairperson in Committees, only Audit Committee and Stakeholder Relationship Committee are considered.
- Committee membership in all public limited companies, whether listed or not, is included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 are excluded.
- None of the Directors are related to any other Director.
- During the year under review, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors/ Independent Directors, other than the related party transactions which are reported as part of the financials.
- The Company has not issued any convertible instruments. Accordingly, the Directors do not hold such instruments in the Company.

## Annexure CG 2

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**Strides Pharma Science Limited**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Strides Pharma Science Limited, holding CIN:L24230MH1990PLC057062 and having Registered Office at 201, 'Devavrata', Sector 17, Vashi, Navi Mumbai - 400 703 and Corporate Office at Strides House, Bilekahalli, Bannerghatta Road, Bengaluru - 560 076 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company, for the financial year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authorities.

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

For Gopalakrishnaraj H H & Associates  
Company Secretaries

**Gopalakrishnaraj H H**

Proprietor

FCS: 5654; CP: 4152

PR: 945/2020

UDIN: F005654C000370821

Place: Bengaluru  
Date: 26/05/2021

## Annexure CG 3

### Declaration of Compliance with the Code of Conduct

I hereby confirm that:

the Company has obtained from all the members of the Board and Senior Management Personnel, affirmations that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended March 31, 2021.

Place: Bengaluru, India  
Date: May 26, 2021

**Dr. R Ananthanarayanan**  
Managing Director & CEO  
DIN: 02231540

### Independent auditors' report on Corporate Governance

To  
**The Members of Strides Pharma Science Limited**

The report is issued in accordance with the terms of our engagement letter dated 24 June 2019.

We have examined the compliance of conditions of Corporate Governance by Strides Pharma Science Limited ('the Company'), for the year ended 31 March 2021, as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ["Listing Regulations"].

#### Management's Responsibility

The Company's Management is responsible for compliance of conditions of Corporate Governance requirements as stipulated under the Listing Regulations. This responsibility includes the design, implementation and maintenance of corporate governance process relevant to the compliance of the conditions. Responsibility also includes collecting, collating and validating data and designing, implementing and monitoring of Corporate Governance process suitable for ensuring compliance with the above-mentioned Listing Regulations.

#### Auditor's Responsibility

Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2021.

We conducted our examination of the corporate governance compliance by the Company as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), Guidance Note on Certification of Corporate Governance both issued by the Institute of Chartered Accountants of India ("ICAI") and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as per regulations 17 to 27, clause (b) to (i) of regulation 46(2) and paragraph C, D and E of Schedule V of the Listing Regulations, as applicable.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

#### Restriction on Use

This report has been solely issued for the purpose of complying with the aforesaid Listing Regulations and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**for B S R & Co. LLP**  
Chartered Accountants  
Firm registration number: 101248W/W - 100022

**Sampad Guha Thakurta**  
Partner  
Membership Number: 060573  
UDIN Number: 21060573AAAAC2719

Place: Bengaluru  
Date: 2<sup>nd</sup> August 2021

# Business Responsibility Report

(As per Regulation 34 of SEBI Listing Regulations)

This section provides Strides' responses to the policies and practices on key principles as defined under SEBI Listing Regulations for its India operations.

### Section A: General Information about the Company

#	Description	Remarks
1.	Corporate Identity Number of the Company	L24230MH1990PLC057062
2.	Name of the Company	Strides Pharma Science Limited
3.	Registered Address	201, Devavrata, Sector 17, Vashi, Navi Mumbai – 400 703.
4.	Website	www.strides.com
5.	E-mail id	investors@strides.com
6.	Financial Year reported	2020-2021
7.	Sector that the Company is engaged in	Pharmaceutical
8.	Three key products that the Company manufactures	1. Tenofovir/Lamivudine/Dolutegravir tablets 2. Ibuprofen tablets 3. Combiart tablets
9.	Total number of locations where business activity is undertaken by the Company	
	Number of international locations	Singapore, USA, Canada, Europe, including UK, Africa Four manufacturing facilities – in Singapore, USA, Europe and Africa
	Number of national locations	Registered Office: Vashi, Navi Mumbai, Maharashtra Corporate Office: Bengaluru, Karnataka Facilities: • Surajakkannahalli, Bengaluru, Karnataka • Chandapura, Bengaluru, Karnataka • PIMS Road, Periyakalpet, Puducherry • Alathur, Kancheepuram R&D Center at Bengaluru, Karnataka
10.	Markets served by the Company – Local/State/National/International	The Company has a strong footprint across 100 countries.

### Section B: Financial Details of the Company

#	Description	
1.	Paid-Up Capital – FY 2020-21	₹896.80 Crores
2.	Total Turnover	₹19,465.62 Million
3.	Total profit after taxes	₹782.40 Million
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2% of the average net profit of the last three years – ₹24.80 Million
5.	List of activities in which expenditure in 4 above has been incurred	Areas in which the Company has spent under CSR: • Health; • Education; • Employability A detailed report on CSR initiatives forms part of the Board's Report as <b>Annexure 4</b> .

### Section C: Other Details

#	Description	
1.	Does the Company have any Subsidiary company/companies	The Company has 51 entities in the group, including subsidiaries, JVs and Associates in India and overseas. Number of subsidiaries, JVs and Associates in India and Overseas in specified in Item No. 9 of the Board's Report. Names of entities are mentioned in <b>Annexure 1</b> to the Board's Report.
2.	Do the subsidiary company/companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company/companies	The Company's Business Responsibility initiatives were not extended to its subsidiaries, JVs and associates during the reporting period.
3.	Do any other entity/entities (e.g. suppliers, distributors, among others) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	In due course, the Company intends to extend its sustainability policies and initiatives beyond its boundaries and spread awareness among its several stakeholders.

**Section D: BR Information**

**1. Details of Director/Directors responsible for BR**

**a. Details of the Director/Directors responsible for the implementation of the BR policy/policies:**

1	DIN Number	02231540
2	Name	Dr. R Ananthanarayanan
3	Designation	Managing Director & CEO

**b. Details of the BR head**

1	DIN Number	Not Applicable
2	Name	Mr. Christoph Funke
3	Designation	Chief Operations Officer
4	Telephone number	+91 80 6784 0290
5	E-mail	Christoph.funke@strides.com

**Principle-wise (as per NVGs) BR policy/policies**

**c. Details of compliance (Reply in Y/N)**

#	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for ?	Y	Y	Y	Y	Y	Y	NA	Y	Y
2.	Has the policy been formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
3.	Does the policy conform to any national/ international standards? If yes, specify?	The policies are drafted in line with the provisions of the respective laws prevalent in India.								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/ CEO/ appropriate Board Director?	The policies are approved by the functional heads, and few of them have been adopted by the Board.								
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	While few of the policies mandate requirement of a Board Committee, the rest of them are monitored by the management team.								
6.	Indicate the link for the policy to be viewed online?	Link to the policies, which are available on the website is as under: <a href="http://strides.com/investorcommitteboard.html">http://strides.com/investorcommitteboard.html</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8.	Does the Company have in-house structure to implement the policy/policies?	Yes								
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes								
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	No								

**d. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

#	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage, where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within the next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

**2. Governance related to BR**

#	Description	Remarks
1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company – within 3 months, 3-6 months, annually, more than 1 year	Annually by the Board of Directors
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	This report shall be published annually as a part of the Annual Report which will be available on the Company's website at <a href="http://www.strides.com">www.strides.com</a> .

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

Strides is a global pharmaceutical Company headquartered in Bengaluru, India. The Company mainly operates in the regulated markets and has an "in Africa for Africa" strategy along with an institutional business to service donor - funded markets. The Company focusses on "difficult to manufacture" products that are sold in over 100 countries

As at the date of the report, the Company has global manufacturing footprint with facilities located in India - Bengaluru (two sites), Puducherry and Chennai, Singapore, Italy-Milan, USA – Florida and Kenya - Nairobi.

The Company has a dedicated R&D facility in India with global filing capabilities and a strong commercial footprint across 100 countries.

We are devoted towards a holistic approach to corporate governance. We benchmark our corporate governance activities to best practices across the globe. Our strategy is directed towards having a sharper focus on compliance.

The values that define our business ethos are: Integrity, Collaboration and Efficiency.

- Integrity - We will follow the Right Practices and do the Right thing;
- Collaboration - We will work Together - understanding and supporting each other;
- Efficiency - We will do everything to deliver quicker and better results.

It is these values that have helped us not only instigate trust in our Company, but also develop strong relationships with all our stakeholders thereby creating long-term value for society and our business.

The code of conduct relating to ethics, bribery and corruption is integrated in our well-established and implemented 'Code of Conduct' for the Board, senior management and employees. The existing code does not cover suppliers, contractors and business partners.

The Whistleblower Policy is formulated with a view to provide a mechanism for employees of the Company to

raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc. It is applicable to not just our employees but also extends to our business associates. Some of the malpractices and events covered under this policy are negligence causing substantial and specific danger to public health and safety, deliberate violation of law/regulation, breach of Company policy or failure to implement or comply with any approved Company policy, wastage/misappropriation of Company funds/assets, etc.

All disclosures reported under our Whistleblower Policy are thoroughly investigated by the HR Head, who is the Whistle Officer of the Company. The Whistle Officer oversees the investigations under the authorisation of the Audit Committee. During the reporting period, no stakeholder complaints were received on ethics, transparency and accountability.

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

We are dedicated to manufacturing products that are socially beneficial, economically and environmentally sustainable throughout their life cycle. We have implemented the Oracle Agile Product Lifecycle Management for all our R&D operations. The product suite, in addition to aggregation of development data for our dossiers prepared for regulatory filing, helps us to track the entire lifecycle of development until the launch of our products.

With a vision to touch billions of lives through our high-quality pharmaceuticals, while delivering value to all stakeholders – patients, investors and community; we incorporate sustainable and rightful practices throughout the product development process.

Our key products wherein social and environmental-friendly designs have been incorporated are:

1. Molunupiravir Capsules 200 mg and 400 mg for the treatment of Mild to Moderate COVID-19 Infection;
2. Emtricitabine/Tenofovir Fixed-Dose Combination anti-retroviral used for the treatment of HIV/AIDS;
3. Tenofovir/Lamivudine/Dolutegravir Fixed-Dose Combination used the treatment of HIV/AIDS

The Company, being a mass multi-product manufacturing and multi-facility established Company, monitors the resource consumption in batches. Currently, monitoring of resource consumption for manufacturing each unit of product is not feasible. However, we are aware of the importance of adopting highest standards of environmental and social practices in all our manufacturing locations.

Each of our manufacturing locations monitor the energy, water and fuel consumption on periodic basis. We have undertaken various measures towards identifying our environmental risks and develop mitigation plans to address them. All our manufacturing locations are complying to ISO 14001: 2015 standards and two key manufacturing sites are ISO14001 certified by NQA.

#### Production Details – FY 2020-21

#	Type of Products Manufactured	Units	Quantity Produced
1	Oral Dosage (Tablets, HG Capsules, Soft gel capsules, Liquids & Powders) and Topicals	4	~6,400 Million

#### Resource Consumption Details – FY 2020-21

S. No.	Type of Resource Utilised	Units	Consumption
1	Water	KL	2,07,386
2	Electricity	KWH	49.5 Million
3	Fuel		
	a) HSD	KL	1,148
	b) FO	KL	1,446
	c) Briquette	Tonne	220

#### Sustainable sourcing

We address elements of sustainable sourcing like ethics, labour and human rights, wages and benefits, health and safety and the environment in the purchase/service orders released to our vendors and suppliers. While we are in the process of developing a well-defined 'Supplier Code of Conduct' with an endeavor to integrate sustainability in our procurement process for all our products and services, we do conduct audit and due diligence prior to sourcing of materials/availing services from the vendors. The sourced products are submitted for approval with the regulatory authorities and post their approval, such materials are used in our final products.

#### Sourcing from local and small producers

The Company procures goods from local and small producers, who comply with its quality requirements. We follow required statutory obligation to meet sustainability with the micro, small and medium enterprises.

Our supply chain strategy management of the Company believes in facilitating local economic growth by encouraging and supporting local suppliers in the vicinity of our area of operation. Local sourcing also helps us in reducing air emissions from vehicular movement. In this financial year, we have procured a part of our required materials from local (India) suppliers.

We also educate our vendors and suppliers on the current needs of quality standards, regulatory compliances to adhere to and share good industry practices with them.

#### Product recycle and waste management

We are committed to bring safe, efficient and affordable drugs to help cure and ease the suffering of patients worldwide. We are regulated by stringent pharmaceutical standards set out by the international agencies including the USFDA, EMA, TGA and UK MHRA amongst others. All these requirements ensure that patients get only the

highest quality of medicines. Our entire value chain is designed to comply with the highest standards of quality, product safety, and processes. We have implemented a precautionary approach to check that no waste/rejected batch materials are returned to the production process. We also ensure that the waste generated is appropriately disposed complying with applicable environmental laws and statutory guidelines.

We have also taken steps towards effective treatment of the process generated wastewater. The process water is treated in the wastewater treatment plant and reused for gardens/lawns inside the plant premises across all sites in India. In FY 2020-21, we treated 1,20,267 KL of wastewater.

#### Principle 3: Businesses should promote the well-being of all employees

We acknowledge that our employees are the drivers of our development and consider them to be our greatest assets. Our vision is to create a working environment that facilitates their personal well-being while meeting the business needs. We are committed to providing a work environment that ensures that every employee is treated with dignity, respect and equality.

#### Health & Safety

Health and safety of employees is a critical element that makes any workplace appropriate for operations. For our sustainable business, safety is a prerequisite. The wellness of our workforce is given utmost importance in the interest of employees' safety, their health and in the interest of the employer's responsibility.

Some of the initiatives for workplace wellness in the organisation include allowing flexi-time for exercise, medical insurance, flexible work time/work from homes (for certain roles which maybe performed remotely),

maternal leave, paternal leave and employee wellness program – 'We Care'. The Company follows a wellness calendar as a part of the employee welfare programme.

The Company also conducts periodic safety trainings and mock drills so that the employees are aware of all the do's and don'ts during an emergency situation.

The Company's health and safety approach include:

1. Safe working systems
2. Use of personal protective equipment
3. Emergency preparedness.

Our Environment, Health & Safety (EHS) policy is applicable to all facilities.

Some of the other available employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits – mediclaim insurance policy, group term life policy, group accident policy, maternity leave and paternity & adoption leave policy.

The Company observes zero-tolerance against any discrimination on the grounds of nationality, sex, religion, marital status, caste, creed and also sexual harassment. Any transgression in this regard is met with stringent disciplinary action.

#### COVID-19 CARE

At Strides, employees' health and wellbeing is our highest priority and we strive to do the best we can to support our people.

As briefed below, we have taken several initiatives to support our people with multiple employee support initiatives through these challenging times:



**Support for deceased employees' families:** We are providing financial support to secure honorable living for families of deceased employees due to COVID-19



**Vaccination Reimbursement & Tie-ups with Private Hospitals:** We are providing reimbursement of vaccination costs incurred by employees for themselves and their families as we encourage our employees to be vaccinated and continue to exercise adequate precaution. We have also tied-up with private hospitals for conducting vaccination drives for all employees depending on the availability of vaccines.



**COVID-19 Kavach Policy:** We have renewed our COVID-19 Kavach policy which is a COVID-19 specific insurance cover that also addresses home quarantine, medication, etc. This is over and above the medical insurance.



**Assistance from In-House Doctors:** Our in-house doctors are extending their help round the clock for tele-consultation of affected employees or their families.



**Awareness Session with Doctors:** We have organised virtual doctors' round table to clarify doubts and apprehensions on hospitalisation, medication, home care and other medical aspects related to COVID-19. We have held awareness programs on our current insurance plan as we feel all of us should be aware of the current policy during any eventuality.



**COVID-19 Voluntary Employee Fund:** We have set up a voluntary employee fund to provide financial support to COVID-19 impacted employees and their families.



**Employee Connects & Streamlined Coordination from HR and Admin:** There is a coordinated approach among all site HRs and the Admin team to tackle any case related to COVID-19. Multiple Open House sessions were conducted by senior leaders to understand employee concerns and to communicate our readiness to tackle the COVID-19 situation.



**24/7 task force:** A 24/7 task force was constituted to assist employees who required assistance with hospitalisation. We were able to assist over 10 employees whose condition was critical.

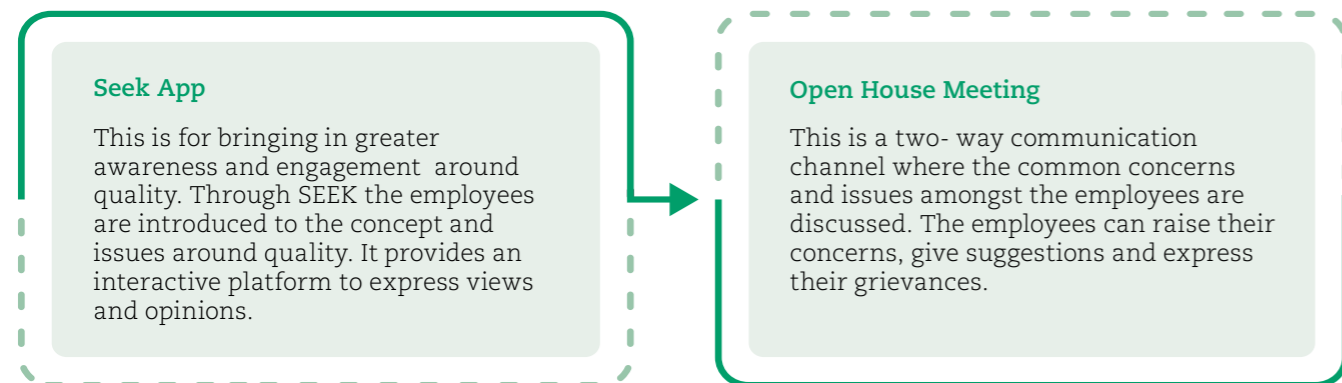


**Medical tie-ups:** Anticipating the rise in number of COVID cases in Puducherry, we established our own medical and isolation centre in Puducherry.

Tie up with Rx e-Health Enablers' team to provide 24/7 COVID consultation to employees and also psychological counselling.

**Employee engagement**

We also assure employees' well-being through active engagement. We have several two-way communication platforms in place for employees to express themselves, raise their queries and enable employees to know more about the organisation.



As a part of recreation camaraderie, we celebrate family day and employees are encouraged to opt for team outings.

At Strides, we also give due credit to the employee's union that pursues the interests of its members, with equal focus on the overall business expectations. Currently, we have a management-recognised employee association, which covers approximately 20% of our employee membership.

**Strides Workforce Details – as at March 31, 2021**

S. No.	Type of Resource Utilised	Number of Employees
1	Permanent employees	2,390
2	Permanent women employees	503
3	Permanent employees with disabilities	1
4	Temporary/contractual employees	1,507

**Continuous learning**

With COVID-19 pandemic forcing us to rethink our way of life, compelling to transition to remote working and adapting to new normal that brought all the planned learnings to an almost halt, we continued to thrive by adapting to newer ways of digital learning methodologies to keep the learning momentum going. In our mission to adopt to digital transformation, all the F2F learning events were converted to virtually apt short burst learning content and delivery style to match the need.

At Strides, we believe in creating continuous learning culture to upskill/reskill, enable our people's future skills in response to a changing environment and new developments.

Some of our key programs are listed below:

- a. **Skill development**  
**Strides Continuous Learning Program (CLP)**, is an ongoing initiative designed to reinforce Strides values, acknowledge skill gaps, strengthen basic skills and enhance personal capabilities. The program modules are digitally enabled by converting them into eLearning short burst modules of each approximately for 1 hour to adapt to the changing need, improve the scalability of the mass audience, self-paced, anytime, anywhere access. This brought out a new age quick learning experience to all employees through mobile learning at the click of button with learning on the go.

Training is focused on Functional and Behavioral Competencies such as communication, innovative thinking, collaboration, problem solving, negotiation, accountability for results, and many more.

This curriculum focuses on the organisational values and the personal capability of the employee to enable them with necessary skills to work efficiently in a corporate work environment

**Strides Behaviours** – Strides designed its core organisational behaviour and L&D has been instrumental in driving the behavioural Immersion program for Leaders, Managers and Employees across locations to bring awareness, relate to the business, and influence behaviour. Enabling Leaders to drive the change by being the role model for behaviours themselves and initiate demonstration of these core behaviours in every work situation. Leaders were provided with the teach-back toolkit to cascade the organisation behaviours to their respective teams.

**Supervisory Development Program** – Specialised curriculum designed and developed for Self-Managed Teams at SEML unit to create awareness amongst participants about the role of Supervisors in an organisation. To prepare them for managing and engaging team associates / members in changing scenario. To provide them a platform in building supervisory skills for managing people.

The program consisted of Communication, Interpersonal Skills, Presentation Skills, Time Management, Mentoring, Problem Solving, Team Management and Technical Writing over a span of 8 to 9 months with mid and final assessment on the learning performance. The program brought a remarkable exposure of various elements and confidence in each participant.

After a successful implementation journey, the program is proposed to be launched at one of our international Unit in Singapore.

This year also marked a step-in disembarking learning solution to Strides' International locations, for Fairmed Germany by launching Essentials of business communication modules and at Singapore site with the launch of Supervisory Development Program.

**Ignite – Manager Essentials Program**

While the organisation was heading in the right direction by having robust execution plans, having great talent, inspiring leaders and well-set processes, it was imperative to look at the missing track. Investing in our Managers' capability building became the key priority in capability roadmap of organisation. A well-structured and thought-out design with a blended learning approach consisting of mix of online learning modalities along with live facilitated sessions to drive self and reflective learning among managers. This initiative was piloted among people managers at our R&D centre (43 managers was chosen to be part of this programme and currently Phase II is ongoing). With an outcome aiming towards building engaged and high performing teams. This comprises of three tracks Foundation, Intermediate and Advanced with each track comprising of short burst engaging modules scheduled to implement during the upcoming year.

In addition to this, the regular Business-as-usual programs took a paradigm shift from F2F programs to virtual live sessions to drive the continuous learning process and culture by not letting the

pandemic being a hindrance to the employees' learning curve. The regular programs designed to support employees' capability building by enabling them with key skills such as behavioural/soft, business skills and hard skills and a few focusing on specific managerial skills.

In view of the pandemic that struck all of us, Employee Wellness Program was rolled out to all employees to support them to cope up with stress and anxiety. Drive healthier habits and foster resilience. 1to1 support open to all employees to cater to their emotional needs and wellbeing. Some of the programs included, Building Resilience, Stress Management, Manager Toolkit and Yoga.

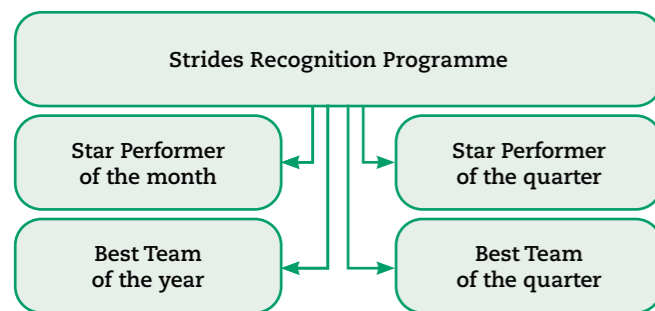
Strides Learning and Development continues to drive all the learnings with a digital approach by enabling all modes of learning through the Learning Management System. Encouraging all learners to experience a mix of new age learning methods like video learning, eLearning, online articles, podcasts etc.

- b. **Talent management**  
 The talent management strategy at Strides is derived based on many factors mainly:
  - a. Current talent pool
  - b. Analysis of department-wise and role-wise work
  - c. Future business plans
  - d. Recommendations from managers to develop their teams

The organisation has trainings in the form of Continuous Learning Program and Pathway Programs to identify and nurture talent at various levels.

We have established a separate policy on 'Performance Management System' that provides a framework for managing performance by assessing individual employee goals against stated/desired goals and objectives. Our framework on performance management system is based on continuous improvement and focuses on goal/objective setting, performance assessment and reviews, feedback and personal development plan and pay for performance.

We strive to do the best to keep our employees happy and motivated through our rewards and recognition system, which is one of the factors for the organisational success. Some of our recognition programmes include:



**Strides Workforce Details – FY 2020-21**

S. No.	Category	Number of Employees	Percentage of Employees
1	Employees provided with skill upgradation training	1,518	63.51%
2	Employees received performance or career development reviews	1,744	72.97%

We periodically renew our HR strategies to enhance productivity and better engage with a diverse workforce across geographies. We equip our employees with opportunities to learn and apply the business concepts in day-to-day practice, thus enriching the quality of delivery.

**Complaints relating to child labour, forced labour, involuntary labour, sexual harassment/discriminatory employment**

We believe that the success of a responsible organisation rests on the foundation of ethics and respect for human rights. We follow the best international practices, which ensure the freedom of association, prohibition of child labour, protection of indigenous rights and prohibition of forced and compulsory labour. In FY 2020-21, we did not receive any complaint relating to child labour, forced labour, involuntary labour, sexual harassment or discriminatory employment.

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised**

We are cognisant of the fact that the stakeholder engagement is a periodic process that enables companies to develop and implement strategies to fulfill the stakeholder expectations and seek their long-term support. We recognise employees, our service partners (suppliers and dealers), customers, shareholders/investors, communities surrounding our operations and regulatory authorities as our key stakeholders. We engage with them through various channels, such as consultations with local communities through village panchayats, supplier/vendor meets, employee satisfaction surveys, investor forums, etc. Though there is already a policy in place, we are working towards developing the policy in line with the requirement of the prescribed principle.

**Internal and external stakeholders**

We have mapped our internal and external stakeholders based on our 'shareholder and stakeholders communication' strategy.



A detailed report on the CSR activities of the Company is annexed to the Board's Report as **Annexure 4**.

**Principle 5: Businesses should respect and promote human rights**

As a responsible organisation, the Company respects human rights at the workplace and endeavour to adopt best international practices, which ensure the freedom of association, prohibition of child labour, protection of indigenous rights and prohibition of forced and compulsory labour.

The Company values the rights of the individuals and it is testified in our Code of Conduct for Board, senior management and employees. The Code of Conduct embraces a commitment to conduct our business in the most ethical manner with due regard to business needs and stakeholder interests.

The elements of Convention on the Elimination of all Forms of Discrimination against Women (CEDAW), an international treaty by the United Nations General Assembly, described as an international bill of rights for women has been covered in our Code of Conduct. A Committee has been constituted by the management to consider and redress complaints of sexual harassment. Any employee may contact their local HR point of contact and/or log in to Strides Portal to understand the redressal mechanisms.

In case of any non compliance, the employee or any of the business associates can directly approach the Chairman of the Audit Committee. The Committee ensures the confidentiality and protects the complainant from being persecuted.

While the Code of Conduct covers employees of the organisation, we are working towards evolving the Code of Conduct in line with the requirements of the prescribed principle and International Labour Organisation (ILO), to extend it to our suppliers, contractors, and other stakeholders.

**Stakeholder Complaints**

Our Code of Conduct discourages violation of human rights and provides a fair and transparent mechanism for reporting any such violation. No complaints were received pertaining to human rights violation during the reporting period.

**Principle 6: Businesses should respect, protect and make efforts to restore the environment**

We believe as an organisation, it is our responsibility to ensure that all our business practices are carried out in a way that causes minimal impact on the environment. Our policy on 'Environment, Health & Safety' (EHS) provides us the necessary direction towards climate change mitigation and adaptation efforts, as well as natural resource replenishment initiatives.

We follow our policy on Environment, Health & Safety which is applicable to all business operational facilities. As part of the policy, we commit to educating our stakeholders (employees, contractors, sub-contractors, transporters, visitors) about the EHS policy and emergency procedures.

We understand that global warming has relevance on our business and the markets that we serve. We try to address this issue through our Environment, Health & Safety policy and have taken various initiatives through its Environmental Management System. It is in the process of initiating specific business level strategies to address global warming and climate change.

We identify and assess all the potential environmental risks as per the Environmental Management System Standards ISO 14001:2015. We have developed appropriate standard operating procedures to address the key environmental risks.

**Clean Development Mechanism**

We do not have any project related to Clean Development Mechanism.

**Initiatives undertaken on clean technology, energy efficiency, renewable energy**

Clean technology / Recycling	Energy efficiency	Renewable energy
9,947 KL rainwater collected and recharged to improve the ground water table in and around the plant.	Replacement of TFL/CFL/SVL with energy efficient LED lights resulted in saving of about 1,63,419 kWh	11,339 Tonne of CO2 emissions reduction achieved by utilisation of 21 Mn kWh from imported solar power generators renewable energy source.
29,675 KL of water recycled from steam condensate and reused for steam generation.	1,20,267 KL of wastewater treated by WWTP and reused for garden/lawn inside the plant premises across all sites in India.	2,97,631 kWh renewable energy generated inhouse

**Compliance to CPCB/SPCB norms in relation to emission/waste generated by the Company**

Emissions are monitored by Pollution Control Board (PCB) authorised laboratories and periodical emission test reports are submitted to statutory authorities. The generated stack emissions and ambient air quality are well within the limits as defined by Central Pollution Control Board/ State Pollution Control Board (CPCB/SPCB).

All hazardous solid wastes are stored at designated places and disposed to approved recycler/ Transported Storage Disposal Facility (TSDF), as per the requirements of hazardous and other waste (Management and Transboundary Movement) Rules, 2016.

**Show cause/legal notices received from CPCB/SPCB**

During the year under review, the Company did not receive any notice from CPCB/ SPCB.

**Principle 7: Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner**

We strive to create a positive impact and participate in making sound policy decisions to facilitate change in public policies that are beneficial to the sector. We believe a sustainable business growth can be achieved when worked together with the regulatory authorities, government and trading bodies.

We are a part of various industry bodies and associations that influence public and regulatory bodies in a responsible manner, which include:

- a. Pharmaceuticals Export Promotion Council of India
- b. Bombay Chambers of Commerce
- c. Bangalore Chamber of Industry and Commerce
- d. Export Promotion Council for EOUs & SEZs
- e. Indian Drug Manufacturers' Association
- f. Karnataka Drugs & Pharmaceutical Manufacturers Association
- g. Federation of Karnataka Chambers of Commerce and Industry

We actively support the policy advocacy campaigns which the above organisations take up from time to time.

**Principle 8:**  
**Businesses should support inclusive growth and equitable development**

At Strides, we always strive to secure the interests of all the stakeholders along with the healthy growth of the Company. Community development programs are integral to our sustainability strategy. We have always contributed towards CSR activities, even before it was mandated by the law. We have initiated many programs for the disadvantaged, surrounding our area of operation.

The Company has developed and implemented the CSR policy which encompasses our philosophy towards CSR and lays down guidelines and mechanisms for undertaking socially beneficial programs for welfare and sustainable development of the community at large.

Our CSR initiatives help address socioeconomic challenges in the realms of health, education, employability and disaster management.

We have implemented the CSR programmes through our unit CSR Team and CSR advisory committee along with Strides Foundation and external NGOs, to contribute to different sections of society. Projects to promote the wellbeing of the society has been developed post a comprehensive Community Need Analysis. Our focus areas are:

- a. Health;
- b. Education; and
- c. Employability

A detailed report on CSR initiatives and the amount spent during the period under review forms part of the Board's Report as **Annexure 4**.

**Impact assessment**

We have carried out a formal structured impact assessment of our various CSR programmes in FY 2020 through an external Social Accounting and Audit (SAA) Organisation – The India chapter of M/s. Social Audit Network – UK.

Our focus for Community development being Health & Hygiene and Education, our initiatives have been around providing:

- Preventive, promotive and curative healthcare at our Specialty healthcare center – Arogyadhama at Suragajakkanahalli village panchayat;
- Safe drinking water thru self-sustainable RO drinking water plants at Anekal;
- Good healthcare, creating awareness through health camps etc., building awareness on health and hygiene;
- Providing infrastructure and also empowering children to learn better and equip themselves for a better future

Arogyadhama caters to over 12,500 populations in 12 villages giving the best of facilities. Over 6,400 people were benefitted in 2020-21. 230 students of 8th to 10th standard were covered under Rapid Antigen Test when the schools reopened.

In our efforts to provide safe drinking water and to improve the quality of living of people, new RO water unit has been installed at Kumbaranahalli, Haragadde Panchayat and at Anekal main road, Sidihoskote, Suragajakkanahalli Panchayat, Anekal.

On Employability front, the Employment Empowerment Program initiative in partnership with Swami Vivekananda Rural Community College (SVRCC), has provided vocational skills to 100 youths of our neighboring villages. We have initiated the process to upskill the next set of rural youths.

In line with our focus to provide better quality of education to children by improving the infrastructure, an Anganwadi was constructed and handed over at Sidihoskote Village, Suragajakkanahalli Panchayat. About 30 children, pregnant women and women requiring postnatal care will be benefitted with this initiative.

Under Leadership adoption program for school (LeAPS), life skills are imparted to the students of the Government primary and high school to get the young students future ready. Even though this is an ongoing program, LeAPS was not pursued this year as the school were closed for the pandemic.

**Principle 9:**  
**Businesses should engage with and provide value to their customers and consumers in a responsible manner**

We give utmost priority to provide effective and economically affordable products to our customers. Quality benchmarks and regulatory compliance continue to be one of the critical focus areas for us. Our manufacturing facilities are automated to a very large extent, ensuring greater accuracy and precision. We work towards safe management of our products throughout its lifecycle and is committed to reducing risks. This is ensured by making factual disclosure of information during labelling and branding of our products. As a company, we are strongly connected with our customers.

By understanding their needs, expectations and priorities, we are better equipped to develop products that offer great value.

We follow a standard operating procedure on providing the required factual information about our products to the customers. We ensure our compliance towards all applicable legislations with respect to packaging and labelling. We realise the extent of influence we can have on our customers and we wish to engage with them in a responsible manner.

We have developed and implemented a robust pharmacovigilance system for handling and addressing complaints received from any of our stakeholders.

**Customer Complaints – FY 2020-21**

S. No.	Category	Number of Complaints Received	Number of Complaints Closed	Number of complaints pending	% of Complaints/ Cases Pending
1	Customer Complaints	221	193	28	13%
2	Customer Cases (legally filed)	0	0	0	0

We have a dedicated pharmacovigilance cell to resolve any customer concerns or queries related to our products. We have not received any complaints on unfair trade practices, irresponsible advertising and anti-competitive behavior.

**Display of product information on the product label**

The customer is provided with the instructions on dosage and basic knowledge about the science behind the various ingredients added in different products. We also provide information on the composition of each ingredient in volume and percentage in the product. Storage Instructions and cautionary notes are also provided wherever required.

For and on behalf of the Board of Directors

**Dr. R Ananthanarayanan**  
 Managing Director &  
 Chief Executive Officer

**Christoph Funke**  
 Chief Operations Officer

Date: May 27, 2021  
 Place: Bengaluru



# Independent Auditors' Report

To the Members of

**Strides Pharma Science Limited**

**Report on the Audit of Consolidated Financial Statements**

## Opinion

We have audited the consolidated financial statements of Strides Pharma Science Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint venture, which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial information of such subsidiaries and associates as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint venture as at 31 March

2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

## Basis for Opinion

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

## Key Audit Matters

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

## Taxation

[Refer Significant Accounting Policies and notes 12, 13, 27 and 36 to the consolidated financial statements]

### The key audit matter

The Group operates across different tax jurisdictions around the world and is subject to complexities with respect to various tax positions on matters including such as:

- availability of tax incentives / exemptions.
- deferred taxes on business combinations

The Company is subjected to various domestic and foreign tax regulations with respect to taxability of income received in India including repatriation of any profits as dividends.

Assessing the applicability of tax and accounting of such repatriation may involve complexities with respect to various tax positions on availability of tax incentives / exemptions resulting in possible tax litigations/ assessments.

### How the matter was addressed in our audit

In view of the significance of the matter, following audit procedures were applied, among others to obtain sufficient audit evidence:

- We tested the design of internal financial controls and operating effectiveness of the relevant key controls in respect of taxation at a Group level;
- We obtained an understanding and analysed key correspondences with the tax authorities to identify any additional uncertain tax positions;
- We analysed the Group's judgement regarding the eventual resolution of matters with various tax authorities in certain key jurisdictions. In this regard, we understood how the Group has considered past experience, where available, with the tax authorities in the respective jurisdictions;

### The key audit matter

Judgement is required in assessing the range of possible outcomes for some of these tax matters. These judgements could change over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents.

The Group makes an assessment to determine the outcome of these uncertain tax positions and decides to make an accrual or consider it to be a possible contingent liability.

Where the amount of tax liabilities are uncertain, the Group recognizes accruals which reflect its best estimate of the outcome based on the facts known in the relevant jurisdiction.

Given the complexity of tax accounting for multiple jurisdictions including judgement involved in determining impact of uncertain tax positions and impact of deferred taxes on business combination, we assessed this to be an area of focus for our audit.

### How the matter was addressed in our audit

- We used subject matter experts, to assess the accounting treatment done for key jurisdictions for current and deferred taxes.
- We have verified the income tax rate reconciliation for key jurisdictions;
- We also obtained the Group's computation for deferred taxes for multiple entities in the Group and assessed its compliance with the recognition and measurement principles under the accounting standards.

## Impairment testing of goodwill and intangible assets

[Refer Significant Accounting Policies and notes 7 and 8 to the consolidated financial statements]

### The key audit matter

The Group has goodwill and intangible assets of ₹ 4,805.40 million and ₹ 6,185.11 million respectively as at 31 March 2021. These intangible assets predominantly arise on account of past business combinations and are subjected to impairment test as part of Cash Generating Units (CGU's) which include goodwill.

The annual impairment testing of goodwill and intangible assets within such CGU's was considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement involved to estimate the recoverable amount. The recoverable amount of the CGUs (includes goodwill and intangible assets among other items), which is the value in use has been derived from discounted forecast cash flow models. These models use several assumptions, including estimates of future sales growth, operating costs, terminal growth rates, weighted-average cost of capital and consider the impact of COVID-19 on these assumptions, if any.

### How the matter was addressed in our audit

In view of the significance of the matter, following audit procedures were applied, among others to obtain sufficient audit evidence:

- Tested the design and operating effectiveness of the Group's controls around the impairment testing of carrying value of goodwill / intangible assets;
- Engaged our valuation specialists to assist in testing the reasonableness of the valuation by evaluating the assumptions and methodologies used by the Group, in particular for weighted average cost of capital, terminal growth rate, etc. for the relevant markets in which the CGUs operate;
- Evaluating the assumptions applied to key inputs such as sales growth, operating costs, and terminal growth rates;
- Tested whether the Company's analysis about the sensitivity on the outcome of impairment to possible changes in key assumptions reflects the risks inherent in the valuation, including possible impact of COVID-19 pandemic, if any;
- Performing a retrospective analysis of the accuracy of the Group's past projections by comparing historical forecast to actual results;

We also assessed the Group's disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions like terminal growth rate, weighted average cost of capital, etc. reflect the risks inherent in the valuation of goodwill.

### Chargebacks, rebates, returns, cash discount, other adjustments and related accruals (“gross to net sales adjustments”)

[Refer Significant Accounting Policies and notes 16, 24 and 28 to the consolidated financial statements]

The key audit matter	How the matter was addressed in our audit
<p>A significant portion of Group’s sales are made to customers in the United States of America (‘USA’) under certain commercial and governmental reimbursement schemes and mandated contracts. These arrangements provide for significant amount of chargebacks, rebates, cash discount, medicaid and other related accruals (collectively known as ‘gross-to-net’ sales adjustments). The Group also provides a general right of return to its customers for these products. These arrangements result in deductions to gross sales and give rise to obligations for the Group to provide customers with allowances, which for unsettled amounts are recognised as an accrual.</p> <p>This was an area of focus in our audit because arrangements are of significant value, inherently complex and computation of accrual requires significant judgement and estimation by the Group. This judgement is particularly complex in USA in which competitive pricing pressure and multi-layered product discounting are increasingly prevalent. These accruals (other than provision for sales return) have been disclosed as a reduction to trade receivables as of 31 March 2021.</p>	<p>In view of the significance of the matter, following audit procedures were applied, among others to obtain sufficient audit evidence:</p> <ul style="list-style-type: none"> <li>• We tested the design and operating effectiveness of the relevant key controls in respect of ‘gross-to-net’ sales adjustments.</li> <li>• Obtained the computation for year-end accruals and tested the assumptions used by reference to the Group’s stated commercial policies, applicable contracts, stock lying at wholesalers and historical product returns and other claims / allowance.</li> <li>• We performed test of details on the actual claims processed for wholesalers during the year towards chargebacks, rebates, sales return and other allowances etc. to determine the accuracy of ‘gross-to-net’ sales adjustments.</li> <li>• Tested the historical data with respect to claims processed for sales return, chargebacks, rebates, Medicaid and other allowances.</li> <li>• Performed analytical procedures on ‘gross-to-net’ sales adjustments recognised during the year to identify any unusual variances / relationships, if any.</li> <li>• For each of the estimated accruals, tested the mathematical accuracy of the computation and verified the underlying data used for completeness and accuracy.</li> </ul>

### Impairment testing of investment in associates

[Refer Significant Accounting Policies and notes 9(i) to the consolidated financial statements]

The key audit matter	How the matter was addressed in our audit
<p>The Group has investments in associates of ₹ 5,745.77 million as at 31 March 2021.</p> <p>One of the associates is still carrying out significant product development currently with insignificant revenues and accordingly, the Group continues to record its share in the losses of the associates. Further, another associate continues to incur losses which requires the Group to assess for impairment given the minimum assured return to the other shareholders in the associate. The recoverable value of these associates for impairment testing was determined using discounted cash flow approach which involves significant judgement and estimates including assessing the impact of COVID-19 on projections and estimates and other recent financing transactions.</p> <p>Given the recurring losses incurred by the associates, impairment testing was significant to our audit, because of the financial quantum of the assets as well as the critical judgements, estimates and assumptions involved.</p>	<p>In view of the significance of the matter, following audit procedures were applied, among others to obtain sufficient audit evidence:</p> <ul style="list-style-type: none"> <li>• Tested the design and operating effectiveness of the relevant key controls around Group’s assessment of impairment of investment in associates.</li> <li>• Performed a retrospective analysis to assess the reasonableness of Group’s projections by comparing historical forecast to actual results.</li> <li>• Tested reasonability of projections used by the Group relating to the sales growth, operating costs, cashflow forecasts.</li> <li>• Engaged our valuation specialists to assist in testing the reasonableness of the valuation by evaluating the assumptions and methodologies used by the Company, in particular for weighted average cost of capital, terminal growth rate, etc.</li> <li>• Tested recent financing transactions in these companies with third parties to determine the fair value of certain investments.</li> </ul>

The key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> <li>• Tested whether the Company’s analysis about the sensitivity on the outcome of impairment to possible changes in key assumptions reflects the risks inherent in the valuation, including possible impact of COVID-19 pandemic, if any.</li> </ul>

### Impairment testing (as reported by component auditor for one of the associate)

[Refer Significant Accounting Policies and notes 9(i) to the consolidated financial statements]

The key audit matter	How the matter was addressed in our audit
<p>The management of Stelis (an associate of the Group) has assessed the annual impairment of CGU (which includes property, plant and equipment, capital work-in progress, right-of use asset, intangible assets and intangible assets under development) as at March 31, 2021. The carrying value of the CGU of Stelis amounts to ₹ 10,632 million as of that date.</p> <p>The carrying value of the CGU is tested by the management of Stelis atleast annually for impairment, or more frequently if the events or changes in circumstances indicate that the asset might be impaired. The evaluation requires a comparison of the estimated recoverable value of the CGU to the carrying value of the assets in the CGU.</p> <p>It is considered to be a key focus area because of the significance of the balance and the significant estimates, judgements and assumptions involved in impairment assessment by the management of Stelis, such as:</p> <ul style="list-style-type: none"> <li>• Obtaining adequate financing to fulfil Stelis’ development and commercial activities,</li> <li>• the risks associated with development and obtaining regulatory approvals of Stelis products,</li> <li>• generation of revenues in due course from the product portfolio and contract manufacturing,</li> <li>• attainment of profitable operations,</li> <li>• discount rate</li> <li>• probabilities applied to the revenues which also factors Stelis management’s best estimate of possible delay in product development cycle and regulatory approvals.</li> </ul>	<p>The principal audit procedures performed by the Component auditor, among other procedures included:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the Stelis Management’s process for impairment assessment of the carrying value of assets of the CGU;</li> <li>• Evaluated the design and implementation of the relevant controls and carried out testing of the management’s control around the impairment assessment;</li> <li>• Inquired with Stelis management to understand the factors considered when performing the impairment assessment including the rationale for the events and circumstances considered based on strategic plans of the entity (business revenue projections), consideration of economic and industry matters and the factors considered regarding the overall value in use conclusion;</li> <li>• Evaluated the key assumptions considered in Stelis management’s estimates of future cash flows;</li> <li>• Involved valuation specialists of the component auditor to evaluate the discount rate used in the calculations;</li> <li>• Compared the historical cash flows (including for current year) against past projections of Stelis management for the same periods and gained understanding of the rationale for the changes;</li> <li>• Performed sensitivity analysis on the key assumptions within the forecast cash flows and focused attention on those assumptions that were considered most sensitive to the changes; such as revenue growth during the forecast period, the discount rate applied to the future cash flows;</li> <li>• Ascertained the extent to which a change in these assumptions, both individually or in aggregate, would result in impairment, and considered the likelihood of such events occurring;</li> <li>• Tested the arithmetical accuracy of the computations;</li> </ul> <p>Assessed the accounting principles applied by Stelis and adequacy of disclosures in accordance with the Indian Accounting Standards, applicable regulatory financial reporting framework and other accounting principles generally accepted in India.</p>

### Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises of Management Reports such as Board's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report, but does not include the consolidated financial statements and our auditor's report thereon which we obtained prior to the date of this Auditor's Report, and the remaining sections of Annual Report, which are expected to be made available to us after that date.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we obtained prior to the date of this Auditor's Report, 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.

When we read the other sections of Annual Report (other than those mentioned above), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting

Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company. and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group and of its associates and joint venture is responsible for overseeing the financial reporting process of each company.

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

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

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional 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 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business

activities within the Group and its associates and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 information of 5 subsidiaries, whose financial information reflect total assets (before consolidation adjustments) of ₹ 39,700 million as at 31 March 2021, total revenues (before consolidation adjustments) of ₹ 26,254 million and net cash outflows amounting to ₹ 237 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss after tax (before consolidation adjustments) (and other comprehensive income) of ₹ 915 million for the year ended 31 March 2021, in respect of 4 associates, whose financial information have not been audited by us. These financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, 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 and associates is based solely on the audit reports of the other auditors.
- (b) The financial information of 34 subsidiaries, whose financial information reflect total assets (before consolidation adjustments) of ₹ 29,597 million as at 31 March 2021, total revenues (before consolidation adjustments) of ₹ 4,057 million and net cash outflows amounting to ₹ 81 million for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net loss after tax (before consolidation adjustments) (and other comprehensive income) of ₹ 63 million for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of 5 associates and a joint venture, whose financial information have not been audited by us or by other auditors. These unaudited financial information 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, joint venture and associates, and our report in terms of

sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint venture and associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

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

### Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial information of such subsidiaries and associates as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
  - On the basis of the written representations received from the directors of the Holding Company and its subsidiary companies, incorporated in India, as on 31 March 2021 taken on record by the Board of Directors of the respective companies and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, associate companies and joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial information of the subsidiaries and associates, as noted in the 'Other Matters' paragraph:
- The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group, its associates and joint venture. Refer Note 42 to the consolidated financial statements.

- The Group, its associates and joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021. Refer Note 58 to the consolidated financial statements.
  - There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2021. Further there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the subsidiary companies and associate companies incorporated in India .
  - The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021.
- C. With respect to the matter to be included in the Auditor's report under section 197(16):

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

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

**Sampad Guha Thakurta**  
Partner

Place: Bengaluru  
Date: 27 May 2021

Membership Number: 060573  
UDIN: 21060573AAAABZ8018

## Annexure A to the Independent Auditor's report on the consolidated financial statements of Strides Pharma Science Limited ("the Company") for the year ended 31 March 2021

### Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

#### Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of Strides Pharma Science Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its associate companies, to the extent applicable, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and its associate companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal controls stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

#### Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies and associate companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

#### Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

#### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company and one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

for **B S R & Co. LLP**

Chartered Accountants

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

**Sampad Guha Thakurta**

Partner

Place: Bengaluru  
Date: 27 May 2021

Membership No: 060573  
UDIN: 21060573AAAABY7468

# Consolidated Balance Sheet

as at March 31, 2021

₹ in Million			
	Note	March 31, 2021	March 31, 2020
<b>A ASSETS</b>			
<b>I Non-current assets</b>			
(a) Property, plant and equipment	4	10,688.67	10,687.21
(b) Capital work-in-progress		2,276.02	1,480.55
(c) Right-of-use assets	5	2,029.78	2,471.63
(d) Investment property	6	682.35	728.02
(e) Goodwill	7	4,805.40	4,285.58
(f) Other intangible assets	8	3,987.44	2,814.07
(g) Intangible assets under development		2,197.67	2,648.91
(h) Investment in associates and joint ventures	9(i)	5,838.94	4,293.97
(i) Financial assets			
(i) Investments	9(ii)	141.02	10.38
(ii) Loans receivable	10(i)	388.73	389.69
(iii) Other financial assets	11(i)	5,408.01	4,174.05
(j) Deferred tax assets (net)	12	1,982.21	1,985.75
(k) Income tax assets (net)	13	1,302.14	1,333.95
(l) Other non-current assets	14(i)	249.48	492.46
<b>Total non-current assets</b>		<b>41,977.86</b>	<b>37,796.22</b>
<b>II Current assets</b>			
(a) Inventories	15	12,007.03	7,825.39
(b) Financial assets			
(i) Investments	9(iii)	994.12	1,189.68
(ii) Trade receivables	16	11,068.59	9,316.94
(iii) Cash and cash equivalents	17	1,258.34	1,822.34
(iv) Other balances with banks	18	539.31	548.63
(v) Loans receivable	10(ii)	40.54	148.31
(vi) Other financial assets	11(ii)	199.15	71.58
(c) Other current assets	14(ii)	2,065.26	2,783.24
		<b>28,172.34</b>	<b>23,706.11</b>
(d) Assets classified as held for sale	4	-	15.00
<b>Total current assets</b>		<b>28,172.34</b>	<b>23,721.11</b>
<b>TOTAL ASSETS</b>		<b>70,150.20</b>	<b>61,517.33</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
(a) Equity share capital	19	896.81	895.65
(b) Other equity	20	26,869.80	24,378.52
Equity attributable to equity holders of the Company		27,766.61	25,274.17
Non-controlling interests	21	373.41	672.38
<b>Total Equity</b>		<b>28,140.02</b>	<b>25,946.55</b>
<b>II Liabilities</b>			
<b>1 Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	5	2,102.67	2,538.33
(ii) Borrowings	22(i)	8,825.78	6,039.09
(iii) Other financial liabilities	23(i)	753.65	678.43
(b) Provisions	24(i)	674.08	639.52
(c) Deferred tax liabilities (net)	12	463.48	208.16
(d) Non-current tax liabilities (net)	27(i)	1,790.91	-
(e) Other non-current liabilities	25(i)	16.13	18.68
<b>Total non-current liabilities</b>		<b>14,626.70</b>	<b>10,122.21</b>
<b>2 Current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	5	345.70	190.92
(ii) Borrowings	22(ii)	10,238.38	12,287.75
(iii) Trade payables	26		
(a) total outstanding dues of micro enterprises and small enterprises		378.35	199.52
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		11,407.89	7,777.96
(iv) Other financial liabilities	23(ii)	2,776.26	2,646.96
(b) Provisions	24(ii)	1,241.91	1,255.24
(c) Current tax liabilities (net)	27(ii)	351.18	383.20
(d) Other current liabilities	25(ii)	643.81	707.02
<b>Total current liabilities</b>		<b>27,383.48</b>	<b>25,448.57</b>
<b>Total liabilities</b>		<b>42,010.18</b>	<b>35,570.78</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>70,150.20</b>	<b>61,517.33</b>

The accompanying notes are an integral part of the consolidated financial statements

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

Chartered Accountants  
Firm Registration Number: 101248W/W-100022

for and on behalf of Board of Directors of Strides Pharma Science Limited

**Dr. R. Ananthanarayanan**  
Managing Director  
DIN: 02231540

**Badree Komandur**  
Executive Director - Finance  
DIN: 07803242

**Sampad Guha Thakurta**  
Partner  
Membership Number 060573  
Bengaluru, May 27, 2021

**Manjula R.**  
Company Secretary  
Membership Number A30515



# Consolidated Statement of Profit and Loss

For the year ended March 31, 2021

₹ in Million			
	Note	March 31, 2021	March 31, 2020
<b>A. Continuing operations:</b>			
I Revenue from operations	28	33,158.70	27,519.71
II Other income	29	514.27	531.13
<b>III Total Income (I+II)</b>		<b>33,672.97</b>	<b>28,050.84</b>
<b>IV Expenses</b>			
(a) Cost of materials consumed		13,904.23	10,203.49
(b) Purchases of stock-in-trade		2,960.76	1,469.43
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	(3,537.06)	(448.11)
(d) Employee benefits expense	31	5,501.47	4,425.58
(e) Finance costs	32	1,500.65	1,557.20
(f) Depreciation and amortisation expense	33	2,062.87	1,737.02
(g) Other expenses	34	8,061.17	6,522.00
(h) Foreign exchange (gain) / loss - net		(80.17)	188.34
<b>Total Expenses (IV)</b>		<b>30,373.92</b>	<b>25,654.95</b>
<b>V Profit before exceptional items and tax (III - IV)</b>		<b>3,299.05</b>	<b>2,395.89</b>
VI Exceptional items gain/ (loss) (net)	35	433.53	(776.80)
<b>VII Profit before tax (V + VI)</b>		<b>3,732.58</b>	<b>1,619.09</b>
VIII Share of loss of joint ventures and associates	54, 55	(978.19)	(1,072.29)
<b>IX Profit before tax (VII + VIII)</b>		<b>2,754.39</b>	<b>546.80</b>
<b>X Tax expense:</b>			
(a) Current tax		214.48	280.07
(b) Deferred tax		102.03	(166.84)
<b>Total tax expense (X)</b>		<b>316.51</b>	<b>113.23</b>
<b>XI Profit after tax from continuing operations (IX - X)</b>		<b>2,437.88</b>	<b>433.57</b>
<b>B. Discontinued operations</b>			
(i) Loss from discontinued operations		-	(184.16)
(ii) Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net)	40	139.41	122.44
(iii) Tax expense of discontinued operations		-	65.89
<b>XII Profit / (loss) after tax from discontinued operations</b>		<b>139.41</b>	<b>(127.61)</b>
<b>XIII Profit for the year (XI + XII)</b>		<b>2,577.29</b>	<b>305.96</b>
<b>XIV Other comprehensive income</b>			
A (i) Items that will not be reclassified to statement of profit and loss	37	104.46	(147.24)
(ii) Income tax relating to items that will not be reclassified to statement of profit and loss		(14.08)	8.32
B (i) Items that may be reclassified to statement of profit and loss		212.09	329.80
(ii) Income tax relating to items that may be reclassified to statement of profit and loss		(136.92)	179.82
<b>Total other comprehensive income for the year, net of tax (XIV)</b>		<b>165.55</b>	<b>370.70</b>
<b>XV Total comprehensive income for the year (XIII + XIV)</b>		<b>2,742.84</b>	<b>676.66</b>
<b>Profit for the period attributable to:</b>			
- Owners of the Company		2,684.42	363.91
- Non-controlling interests		(107.13)	(57.95)
		<b>2,577.29</b>	<b>305.96</b>
<b>Other comprehensive income for the year</b>			
- Owners of the Company		159.97	378.52
- Non-controlling interests		5.58	(7.82)
		<b>165.55</b>	<b>370.70</b>
<b>Total comprehensive income for the year</b>			
- Owners of the Company		2,844.39	742.43
- Non-controlling interests		(101.55)	(65.77)
		<b>2,742.84</b>	<b>676.66</b>
<b>Earnings per equity share (of ₹ 10/- each) (for continuing operations):</b>			
(1) Basic	48	28.40	5.68
(2) Diluted		28.37	5.68
<b>Earnings per equity share (of ₹ 10/- each) (for discontinued operations):</b>			
(1) Basic	48	1.56	(1.62)
(2) Diluted		1.55	(1.62)
<b>Earnings per equity share (of ₹ 10/- each) (for total operations):</b>			
(1) Basic		29.96	4.06
(2) Diluted		29.92	4.06

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants  
Firm Registration Number: 101248W/W-100022

for and on behalf of Board of Directors of Strides Pharma Science Limited

**Dr. R. Ananthanarayanan**  
Managing Director  
DIN: 02231540

**Badree Komandur**  
Executive Director - Finance  
DIN: 07803242

**Sampad Guha Thakurta**  
Partner  
Membership Number 060573  
Bengaluru, May 27, 2021

**Manjula R.**  
Company Secretary  
Membership Number A30515

# Consolidated Statement of Changes in Equity

For the years ended March 31, 2021 and March 31, 2020

Particulars	Notes	₹ In Million	Amount
<b>Balance as at April 1, 2019</b>			895.49
<b>Changes in equity share capital during the year</b>			
Shares issued pursuant to exercise of stock options	45	0.16	895.65
<b>Balance as at March 31, 2020</b>			
<b>Changes in equity share capital during the year</b>			
Shares issued pursuant to exercise of stock options	45	1.16	896.81
<b>Balance as at March 31, 2021</b>			

## B. Other equity

Particulars	Notes	Reserves and Surplus											Equity attributable to owners of the Company	Non-controlling interests	Total
		Capital reserve	Securities premium	Capital redemption reserve	Share options outstanding account	Equity for gross obligation liability	General reserve	Retained earnings	FVOCI equity investments reserve	Cash flow hedging reserve	Foreign currency translation reserve	Remeasurement of the defined benefit liabilities / (asset)			
<b>Balance as at April 1, 2019</b>		573.72	17,000.81	601.61	75.70	(3,840.13)	3,977.21	3,809.69	(601.61)	(185.79)	4,288.80	(108.46)	25,591.55	1,529.54	27,121.09
Adjustments pursuant to adoption of IND AS 116, (net of tax)		-	-	-	-	-	(266.35)	-	-	-	-	-	(266.35)	-	(266.35)
<b>Adjusted balance as at April 1, 2019</b>		<b>573.72</b>	<b>17,000.81</b>	<b>601.61</b>	<b>75.70</b>	<b>(3,840.13)</b>	<b>3,977.21</b>	<b>3,543.34</b>	<b>(601.61)</b>	<b>(185.79)</b>	<b>4,288.80</b>	<b>(108.46)</b>	<b>25,325.20</b>	<b>1,529.54</b>	<b>26,854.74</b>
Profit for the year		-	-	-	-	-	363.91	-	-	-	-	-	363.91	(57.95)	305.96
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	-	(101.47)	(377.52)	894.96	(37.45)	378.52	(7.82)	370.70
<b>Total comprehensive income</b>		-	-	-	-	-	-	-	<b>(101.47)</b>	<b>(377.52)</b>	<b>894.96</b>	<b>(37.45)</b>	<b>742.43</b>	<b>(65.77)</b>	<b>676.66</b>
Pursuant to acquisition of non-controlling interest in subsidiary	39	(148.26)	-	-	-	-	-	-	-	-	-	-	(148.26)	3.17	(145.09)
Pursuant to disposal / allotment of shares to non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-	(794.34)	(794.34)
Dividend (including tax on dividend)		-	-	-	-	-	-	(1,563.02)	-	-	-	-	(1,563.02)	(9.49)	(1,572.51)
Issue of shares on exercise of stock options	45	-	7.56	-	(2.92)	-	-	-	-	-	-	-	4.64	-	4.64
Transferred to general reserve on stock options lapse		-	-	-	(33.07)	-	33.07	-	-	-	-	-	-	-	-
Employee stock compensation expenses	45	-	-	-	17.53	-	-	-	-	-	-	-	17.53	-	17.53
Pursuant to exchange movement		-	-	-	-	-	-	-	-	-	-	-	-	9.27	9.27
<b>Balance as at March 31, 2020</b>		<b>425.46</b>	<b>17,008.37</b>	<b>601.61</b>	<b>57.24</b>	<b>(3,840.13)</b>	<b>4,010.28</b>	<b>2,344.23</b>	<b>(703.08)</b>	<b>(563.31)</b>	<b>5,183.76</b>	<b>(145.91)</b>	<b>24,378.52</b>	<b>672.38</b>	<b>25,050.90</b>

# Consolidated Statement of Changes in Equity

For the years ended March 31, 2021 and March 31, 2020

Particulars	Notes	Reserves and Surplus											Equity attributable to owners of the Company	Non-controlling interests	Total
		Capital reserve	Securities premium	Capital redemption reserve	Share options outstanding account	Equity for gross obligation liability	General reserve	Retained earnings	FVOCI equity investments reserve	Cash flow hedging reserve	Foreign currency translation reserve	Remeasurement of the defined benefit liabilities / (asset)			
<b>Balance as at April 1, 2019</b>		573.72	17,000.81	601.61	75.70	(3,840.13)	3,977.21	3,809.69	(601.61)	(185.79)	4,288.80	(108.46)	25,591.55	1,529.54	27,121.09
Adjustments pursuant to adoption of IND AS 116, (net of tax)		-	-	-	-	-	(266.35)	-	-	-	-	-	(266.35)	-	(266.35)
<b>Adjusted balance as at April 1, 2019</b>		<b>573.72</b>	<b>17,000.81</b>	<b>601.61</b>	<b>75.70</b>	<b>(3,840.13)</b>	<b>3,977.21</b>	<b>3,543.34</b>	<b>(601.61)</b>	<b>(185.79)</b>	<b>4,288.80</b>	<b>(108.46)</b>	<b>25,325.20</b>	<b>1,529.54</b>	<b>26,854.74</b>
Profit for the year		-	-	-	-	-	363.91	-	-	-	-	-	363.91	(57.95)	305.96
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	-	(101.47)	(377.52)	894.96	(37.45)	378.52	(7.82)	370.70
<b>Total comprehensive income</b>		-	-	-	-	-	-	-	<b>(101.47)</b>	<b>(377.52)</b>	<b>894.96</b>	<b>(37.45)</b>	<b>742.43</b>	<b>(65.77)</b>	<b>676.66</b>
Pursuant to acquisition of non-controlling interest in subsidiary	39	(148.26)	-	-	-	-	-	-	-	-	-	-	(148.26)	3.17	(145.09)
Pursuant to disposal / allotment of shares to non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-	(794.34)	(794.34)
Dividend (including tax on dividend)		-	-	-	-	-	-	(1,563.02)	-	-	-	-	(1,563.02)	(9.49)	(1,572.51)
Issue of shares on exercise of stock options	45	-	7.56	-	(2.92)	-	-	-	-	-	-	-	4.64	-	4.64
Transferred to general reserve on stock options lapse		-	-	-	(33.07)	-	33.07	-	-	-	-	-	-	-	-
Employee stock compensation expenses	45	-	-	-	17.53	-	-	-	-	-	-	-	17.53	-	17.53
Pursuant to exchange movement		-	-	-	-	-	-	-	-	-	-	-	-	9.27	9.27
<b>Balance as at March 31, 2020</b>		<b>425.46</b>	<b>17,008.37</b>	<b>601.61</b>	<b>57.24</b>	<b>(3,840.13)</b>	<b>4,010.28</b>	<b>2,344.23</b>	<b>(703.08)</b>	<b>(563.31)</b>	<b>5,183.76</b>	<b>(145.91)</b>	<b>24,378.52</b>	<b>672.38</b>	<b>25,050.90</b>

The accompanying notes are an integral part of the consolidated financial statements  
As per our report of even date attached

**for and on behalf of Board of Directors of Strides Pharma Science Limited**

Chartered Accountants  
Firm Registration Number: 101248W/W-100022

**Dr. R. Ananthanarayanan**  
Managing Director  
DIN: 02231540

**Badree Komandur**  
Executive Director - Finance  
DIN: 07803242

**Sampad Guha Thakurta**  
Partner  
Membership Number 060573  
Bengaluru, May 27, 2021

**Manjula R.**  
Company Secretary  
Membership Number A30515

<b>Balance as at March 31, 2021</b>		214.84	17,272.67	601.61	47.20	(4,063.14)	4,015.69	4,849.50	(598.77)	(197.39)	4,887.43	(159.84)	26,869.80	373.41	27,243.21
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# Consolidated Statement of Cash Flow

For the year ended March 31, 2021

	₹ in Million	
	March 31, 2021	March 31, 2020
<b>Cash flow from operating activities</b>		
<b>Profit / (loss) before tax from:</b>		
Continuing operations	2,754.39	546.80
Discontinued operations	139.41	(61.72)
	<b>2,893.80</b>	<b>485.08</b>
<b>Adjustments for:</b>		
- Depreciation and amortisation expense	2,062.87	1,877.91
- Share of loss of joint ventures and associates	978.19	1,077.26
- (Profit)/ loss on sale of property, plant and equipment and other intangible assets (net)	(23.38)	53.05
- Share based compensation expense	68.02	17.53
- Unwinding of discount on gross obligations over written put options to NCI	12.05	9.40
- Cancellation of gross obligations over written put options to NCI	-	(1,092.94)
- Unwinding of discount on contingent consideration payable	74.35	53.57
- Fair valuation of derivative instruments	-	3.78
- Interest expense on borrowings & others	1,500.65	1,876.45
- Interest and dividend income	(364.94)	(427.54)
- Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net) (Refer note 40)	(139.41)	(122.44)
- Rental income from investment property	(76.99)	(74.61)
- Liability / provision no longer required written back	(7.45)	-
- Bad debts written off / provision for doubtful trade and other receivables	94.61	114.74
- Impairment of goodwill	-	94.89
- Impairment of investment in associates	81.99	-
- Restructuring and divestment related expenses	-	99.56
- Sales returns, write down of inventory and other expenses on account of Ranitidine withdrawal	750.50	1,131.12
- Gain on dilution of investment in associates	(323.00)	-
- Fair valuation gain on acquisition of controlling shares in an associate (Refer note 39)	(25.30)	-
- Net unrealised exchange (gain) / loss	(1,029.61)	583.14
<b>Operating profit before working capital changes</b>	<b>6,526.95</b>	<b>5,759.95</b>
<b>Changes in working capital</b>		
Increase in trade and other receivables	(1,247.75)	(1,591.07)
Increase in inventories	(4,140.49)	(1,625.24)
Increase / (decrease) in trade and other payables	2,107.70	(45.99)
<b>Net change in working capital</b>	<b>(3,280.54)</b>	<b>(3,262.30)</b>
<b>Cash generated from operations</b>	<b>3,246.41</b>	<b>2,497.65</b>
Income taxes refund received /(paid )	1,567.96	(449.78)
<b>Net cash flow generated from operating activities</b>	<b>A 4,814.37</b>	<b>2,047.87</b>
<b>Cash flow from investing activities</b>		
Capital expenditure for property, plant and equipment and intangible assets, including capital advance	(2,974.84)	(1,500.02)
Proceeds from sale of property, plant and equipment and intangible assets	39.58	36.75
Short-term investments in funds	(150.00)	-
Purchase of long-term investments including investment in associates	(2,456.33)	(1,101.07)
Consideration paid towards acquisition of non-controlling interest in subsidiary and business combinations, net of cash acquired	(78.86)	(272.26)
Proceeds from sale of investment in mutual funds	324.74	1,779.65
Proceeds from sale of long-term investments including discontinued operations, net of expenses and cash (Refer note 40)	97.69	12,894.46
Loan (given) to others	-	(210.69)

# Consolidated Statement of Cash Flow

For the year ended March 31, 2021

	₹ in Million	
	March 31, 2021	March 31, 2020
Loan recovered from others	-	250.00
Rent deposit given	(0.10)	(12.10)
Proceeds / (investments in) from fixed deposits with maturity of more than 3 months, net	(167.13)	884.92
Rental income from investment property	88.35	80.07
Interest and dividends received (net of tax on dividend)	68.69	231.88
<b>Net cash flow generated / (utilised in) from investing activities</b>	<b>B (5,208.21)</b>	<b>13,061.59</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of equity shares	34.99	4.80
Proceeds from long-term borrowings	5,674.58	686.12
Repayment of long-term borrowings	(2,100.94)	(13,740.18)
Net decrease in working capital and short-term borrowings	(1,824.26)	(442.07)
Lease payments	(370.98)	(347.23)
Dividends paid (net of tax on dividend)	(179.15)	(1,538.95)
Proceeds from issue of shares to minority shareholders	1.67	0.62
Dividend paid to minority shareholders	-	(9.49)
Interest paid on borrowings (Refer note (ii) below)	(1,393.87)	(1,708.11)
<b>Net cash utilised in financing activities</b>	<b>C (157.96)</b>	<b>(17,094.49)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(A+B+C) (551.80)</b>	<b>(1,985.03)</b>
Cash and cash equivalents at the beginning of the year	1,822.34	3,658.89
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(12.20)	148.48
<b>Cash and cash equivalents at the end of the year *</b>	<b>1,258.34</b>	<b>1,822.34</b>
<b>* Comprises:</b>		
Cash on hand	2.96	2.43
<b>Balance with banks:</b>		
- In current accounts	1,056.70	1,467.44
- In deposit accounts	5.27	264.06
- Funds-in-transit	193.41	88.41
<b>Total</b>	<b>1,258.34</b>	<b>1,822.34</b>

**Notes:**

- (i) The consolidated cash flow statement reflects the combined cash flows pertaining to continuing and discontinued operations. Refer note 40 for cash flows from discontinued operations.
- (ii) Interest paid is inclusive of borrowing cost capitalised on property, plant and equipment ₹ 40.11 Million (Previous year ₹ 22.20 Million).

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

**for B S R & Co. LLP**  
 Chartered Accountants  
 Firm Registration Number: 101248W/W-100022

**for and on behalf of Board of Directors of Strides Pharma Science Limited**
**Sampad Guha Thakurta**  
 Partner  
 Membership Number 060573  
 Bengaluru, May 27, 2021

**Dr. R. Ananthanarayanan**  
 Managing Director  
 DIN: 02231540

**Manjula R.**  
 Company Secretary  
 Membership Number A30515

**Badree Komandur**  
 Executive Director - Finance  
 DIN: 07803242



## Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

### Note No.01 General information

Strides Pharma Science Limited (the 'Company' or 'Strides') and its subsidiaries (together referred to as the 'Group') are into the development and manufacture of pharmaceutical products. The Group has its registered office situated at 201, Devavrata, Sector 17, Vashi, Navi Mumbai – 400703, with corporate office in Bengaluru, India and operates across many countries spreading across developed and emerging markets. Strides is listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India.

### Note No.02 Basis of preparation of consolidated financial statements

#### 2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules 2015, as amended, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These consolidated Ind AS financial statements ('consolidated financial statements') were approved by the Board of Directors and authorised for issue on May 27, 2021.

#### 2.2 Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest Million, unless otherwise indicated.

#### 2.3 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- Net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligations; and
- Equity settled share based payments that are measured at fair value

#### 2.4 Basis of consolidation

The consolidated financial statements includes the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses 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 listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

## Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

The financial statements of the Group are consolidated on line-by-line basis. Intra-group transactions, balances and any unrealised gains arising from intra-group transactions, are eliminated. Unrealised losses are eliminated, but only to the extent that there is no evidence of impairment. All temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions are recognised as per Ind AS 12 Income Taxes.

### Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to statement of profit and loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Refer note 50 for details of subsidiaries considered in these consolidated financial statements.

### 2.5 Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the 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.

#### 2.5.1 Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 2.2 — Assessment of functional currency;
- Note 3.5 — Revenue recognition: whether revenue from sale of product and services is recognised overtime or at a point of time;
- Note 5 — Whether an agreement contains a lease;
- Note 3.18 and 51 — Financial instruments;
- Note 3.12, 3.13 and 3.14— Useful lives of property, plant and equipment, intangible assets and investment property;
- Note 46 — measurement of defined benefit obligation; key actuarial assumptions;
- Note 45 — Share based payments;
- Note 3.11 and 42— Provision for income taxes and related tax contingencies and evaluation of recoverability of deferred tax assets;
- Note 3.15 — Impairment testing for non financial assets.

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

## 2.5.2 Control over subsidiaries

The following entities are considered subsidiaries of the Group even though the Group and non-controlling interests have about 50% of the ownership interest and the voting rights in such entities:

Name of the entities	Proportion of ownership interest and voting power held by the Group	
	March 31, 2021	March 31, 2020
1. Universal Corporation Limited	51%	51%
2. Trinity Pharma (Pty) Limited	51.76%	51.76%
3. Apollo Life Sciences Holdings (Pty) Limited	51.76%	51.76%

The management of the Group assessed whether or not the Group has control over the above mentioned entities based on whether the Group has the practical ability to direct the relevant activities of such entities unilaterally. Based on such assessment, the directors concluded that the Group has sufficient management rights to unilaterally direct the relevant activities of such entities and therefore the Group has control.

## 2.6 Assumption and estimation uncertainty

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2021 is included in the following notes:

- Note 12, 36 — taxation including deferred taxes;
- Note 28 — accruals for charge backs, rebates and sales returns;
- Note 11 — impairment of financial assets;
- Note 7, 9 — Impairment of non financial assets
- Note 42 — litigations

## 2.7 Operating cycle

As mentioned in para 1 above under 'Corporate information', the Group is into development and manufacture of pharmaceutical products. Based on the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 3 years to 5 years and 12 months relating to research and development activities and manufacturing of pharmaceutical products respectively. The above basis is used for classifying the assets and liabilities into current and non-current as the case may be.

## 2.8 Cash flow statement

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

## 2.9 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 45 — share based payments;
- Note 6 — investment property
- Note 3.18 and 51 — financial instruments;

## Note No.03 Significant accounting policies

### 3.1 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date (see note 3.10.2); and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which

## Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in statement of profit and loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in statement of profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to statement of profit and loss where such treatment would be appropriate if that interest were disposed of.

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 during the measurement period (see above), 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 recognised at that date.

### 3.2 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to cash-generating units. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which such goodwill arose.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually,

or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note 3.3 below.

### 3.3 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are

## Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date

the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to statement of profit and loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to statement of profit and loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to statement of profit and loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to statement of profit and loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

### 3.4 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 than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with Ind AS 109 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding investments in associates or joint ventures above).

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.

## 3.5 Revenue from contracts with customers

The Group recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A 5-step approach is used to recognise revenue as below:

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

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

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

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

### 3.5.1 Sale of goods

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

The consideration received by the Group in exchange for its goods may be fixed or variable. Variable consideration is only recognised when it is considered highly probable that a significant revenue reversal will not occur once the underlying uncertainty related to variable consideration is subsequently resolved.

### Profit share revenues

The Group from time to time enters into marketing arrangements with certain business partners for the sale of its products in certain markets. Under such arrangements, the Group sells its products to the business partners at a base purchase price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base purchase price. The profit share is typically dependent on the business partner's ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement. Such arrangements typically require the business partner to provide confirmation of units sold and net sales or net profit computations for the products covered under the arrangement.

Revenue is an amount equal to the base purchase price is recognised in these transactions upon delivery of products to the business partners. An additional amount representing the profit share

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component is recognised as revenue in the period which corresponds to the ultimate sales of the products made by business partners only when the collectability of the profit share becomes probable and a reliable measurement of the profit share is available. Otherwise, recognition is deferred to a subsequent period pending satisfaction of such collectability and measurability requirements. In measuring the amount of profit share revenue to be recognised for each period, the Group uses all available information and evidence, including any confirmations from the business partner of the profit share amount owed to the Group, to the extent made available before the date the Company's Board of Directors authorises the issuance of its financial statements for the applicable period.

### Sale to Distributors

The Group appoints distributors in various territories who purchases the goods from the Group and thereafter sells them in the territory. In case the distributor is acting as an agent, the Group defers revenue recognition till the time goods are sold by the distributor to the end customer. On the other hand, if the distributor is principal, revenue is recognised upon the transfer of significant risks and rewards of ownership of the goods to the distributor.

### Right to reject or return goods

The Group sells its products to the customers with a right to return the goods within the specified period of time. If the probability of acceptance by the customer is uncertain, recognition of revenue is deferred till the expiry of right to return or acceptance by the customer whichever is earlier.

### Free samples

The Group distributes free samples to distributors, at various exhibitions and at medical conferences. The cost of samples distributed at exhibitions, medical conferences or to doctors directly are treated as marketing expense and clubbed under "Business Promotion Expense". However, free samples given to distributors (that are not acting as agents) is recognised as cost of goods sold. In case the free samples are not delivered at the same time as the related sales consignment, a reliable provision is made in this regard.

### Price Variations / Incentives

Incentives are accounted based on the assessment of whether the beneficiary (of the incentive) is acting as a principal or an agent. Where the beneficiary is a principal, the incentive is regarded as consideration paid to the customer and is reduced from revenue. However, where the beneficiary is an agent, the

incentive payment is recognised as an expense as the same is in the nature of commission.

### Chargebacks / Reptos claims by the wholesalers / distributors and Price Protections

Chargebacks and reptos claims are estimated on the basis of the average trend of the past years and recognised as reduction to revenue.

### 3.5.2 Rendering of services

Revenue from services rendered, which primarily relate to contract research, is recognised in the consolidated statement of profit and loss as the underlying services are performed. Upfront payments received under these arrangements are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

### 3.5.3 Royalty, sale of licenses and Intellectual property rights

The Group enters into certain dossier sales, royalties, licensing and supply arrangements with various parties. Income from licensing arrangements is generally recognised over the term of the contract. Some of these arrangements include certain performance obligations by the Group. Revenue from such arrangements is recognised in the period in which the Group completes all its performance obligations.

### 3.5.4 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 3.5.5 Rental income

The Group's policy for recognition of revenue from operating leases is described in note 3.6.1 below.

### 3.5.6 Export Incentives

Export incentives are accrued for based on fulfilment of eligibility criteria for availing the incentives

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and when there is no uncertainty in receiving the same. These incentives include estimated realisable values/benefits from special import licenses and benefits under specified schemes as applicable.

### 3.6 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in Ind AS 116. This policy is applied to contracts entered into, on or after April 1, 2019.

#### 3.6.1 The Group as lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group recognises lease payments received under operating leases as income on a straightline basis over the lease term.

#### 3.6.2 The Group as lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease

component on the basis of its relative stand-alone prices. However, for the leases of property the group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

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- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company's significant leasing arrangements are mainly in respect of factory land and buildings, residential and office premises.

### 3.7 Foreign currencies transactions and translation

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss in the period in which they arise except for:

- exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalised as cost of assets, and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), are recognised initially in other comprehensive income and reclassified from equity to statement of profit and loss on repayment of the monetary items. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity, will be reclassified from equity to statement of profit and loss when the gain or loss on disposal is recognised.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to the statement of profit and loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that

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does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in statement of profit and loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to the statement of profit and loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

### 3.8 Borrowing costs

#### Borrowing costs include:

- (i) interest expense calculated using the effective interest rate method,
- (ii) finance charges in respect of finance leases, and
- (iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

### 3.9 Employee benefits

#### 3.9.1 Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which

include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

#### 3.9.2 Post-employment benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

#### 3.9.3 Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using the projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

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### 3.10 Share-based payment arrangements

#### 3.10.1 Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

#### 3.10.2 Cash settled share-based payment transactions of the Company

The fair value of the amount payable to employees in respect of cash settled share based payments is recognised as an expense with the corresponding increase in liabilities, over the period during which the employees becoming unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the underlying options. Any changes in the liability are recognised in the statement of profit or loss.

#### 3.10.3 Share-based payment transactions of the acquiree in a business combination

When the share-based payment awards held by the employees of an acquiree (acquiree awards) are replaced by the Group's share-based payment awards (replacement awards), both the acquiree awards and the replacement awards are measured in accordance with Ind AS 102 ("market-based measure") at the acquisition date. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals the market-based measure of the acquiree awards multiplied by the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the acquiree award. The excess of the market-based measure of the replacement awards over the market-based measure of the acquiree awards included in measuring the consideration transferred is recognised as remuneration cost for post-combination service.

However, when the acquiree awards expire as a consequence of a business combination and the Group replaces those awards when it does not have an obligation to do so, the replacement awards are measured at their market-based measure in accordance with Ind AS 102. All of the market-based measure of the replacement awards is recognised as remuneration cost for post-combination service.

At the acquisition date, when the outstanding equity-settled share-based payment transactions held by the employees of an acquiree are not exchanged by the Group for its share-based payment transactions, the acquiree share-based payment transactions are measured at their market-based measure at the acquisition date. If the share-based payment transactions have vested by the acquisition date, they are included as part of the non-controlling interest in the acquiree. However, if the share-based payment transactions have not vested by the acquisition date, the market-based measure of the unvested share-based payment transactions is allocated to the non-controlling interest in the acquiree based on the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the share-based payment transaction. The balance is recognised as remuneration cost for post-combination service.

### 3.11 Taxation

Income tax expense represents the sum of the current tax payable and deferred tax.

#### 3.11.1 Current tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### 3.11.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred

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tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences can be utilised and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive

income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### 3.11.2.1 Deferred Tax on Undistributed Earnings

When only a portion of undistributed earnings is remitted to the parent entity by its subsidiary, the parent recognises a deferred tax liability only for the portion of the undistributed earnings expected to be remitted in the foreseeable future.

### 3.11.2.2 Deferred Tax on Unrealised Profits

The intragroup elimination is made as a consolidation adjustment and not in the financial statements of any individual reporting entity. Therefore, the elimination will result in the creation of a temporary difference, as far as the group is concerned, between the carrying amount of the inventories in the consolidated financial statements and the tax base (assumed to be the carrying amount in the purchaser's individual financial statements). The deferred tax effects arising in respect of this temporary difference is recognised. The tax rate used while recognising the deferred tax balance arising from the elimination of unrealised profits on intragroup transactions is determined by reference to the tax rate in the purchaser's jurisdiction where the temporary difference will reverse.

## 3.12 Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses (if any).

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the group. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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The non refundable payments made with respect to Land taken on finance lease (where there is an option to purchase the same at the end of the lease period) is classified under Property, plant and Equipment as "Lease hold Land".

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed to be different and are as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Dies and punches : 4 years  
 Mobile phones : 3 years  
 Certain factory buildings : 18 years  
 Freehold land is not depreciated.

Depreciation on property, plant and equipment of the Group's foreign subsidiaries has been provided on straight-line method as per the estimated useful life of such assets as follows:

Building : 20 years to 30 years  
 General plant and machinery : 4 years to 20 years  
 Furniture and fixtures : 5 years to 16 years  
 Office equipment : 3 years to 6 years  
 Motor vehicles : 8 years  
 Computers and data processing equipment : 3 years to 6 years  
 Freehold land is not depreciated.

Individual assets costing less than ₹ 5,000 are depreciated in full in the year of purchase.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

When an item of property, plant and equipment is acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets, the cost of that item is measured at fair value (even if the entity cannot immediately derecognise the asset given up) unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

## 3.13 Investment property

Properties that is held for long-term rentals or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of the investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight line method over their estimated useful lives. Investment properties generally have a useful life of 25-60 years. The useful life has been determined based on technical evaluation performed by the management's expert.

## 3.14 Intangible assets

### 3.14.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

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The estimated useful life and amortisation method is reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses (if any).

### 3.14.2 Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in statement profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

### 3.14.3 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

### 3.14.4 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

### 3.14.5 Useful lives of intangible assets

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Registration and Brands : 5 years to 25 years  
Software Licenses : 5 years

Customer/supply contracts are amortised over the period of the contract or useful life, whichever is less.

Intangible assets with indefinite useful lives are not amortised and tested for impairment annually.

### 3.15 Impairment of assets

#### 3.15.1 Impairment of financial assets:

The Group assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

#### 3.15.2 Impairment of goodwill and investments in associates and joint ventures: Refer notes 3.2 and 3.3.

#### 3.15.3 Impairment of non-financial assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount

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of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

### 3.16 Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads. Cost is determined as follows:

Raw materials, packing materials, stores and spares: weighted average basis

Work-in progress: at material cost and an appropriate share of production overheads

Finished goods: material cost and an appropriate share of production overheads, wherever applicable

Stock-in trade: weighted average basis

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

### 3.17 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### 3.17.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

#### 3.17.2 Contingent liabilities

Contingent liabilities are disclosed in notes when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.



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## 3.18 Financial instruments

### 3.18.1 Financial assets and financial liabilities

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

#### Initial recognition and measurement:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

#### Subsequent measurement:

##### Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments in Outlook Therapeutics Inc. which is not held for trading.

##### Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

### Financial liabilities

Financial liabilities are measured at amortised cost using effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### 3.18.2 Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Group are recognised at the proceeds received net off direct issue cost.

### 3.18.3 Derivative financial instruments and hedge accounting

The Group uses various derivative financial instruments such as interest rate swaps, currency swaps and forward contracts to mitigate the risk of changes in interest rates and foreign exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to the statement of profit and loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

#### Hedges that meet the criteria for hedge accounting are accounted for as follows:

##### a) Cash flow hedge

The Group designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in

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the statement of profit and loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the statement of profit and loss.

##### b) Fair value hedge

The Group designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the statement of profit and loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to statement of profit and loss over the period of maturity.

### 3.18.4 Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in statement of profit and loss, and is included in the 'Other income' line item.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to statement of profit and loss on the disposal of the foreign operation.

### 3.18.5 Written put options issued to the non-controlling interests:

The Group has issued written put option to non-controlling interests in certain subsidiaries of the Group in accordance with the terms of underlying agreement with such option holders. Should the option be exercised, the Group has to settle such liability by payment of cash.

#### Accounting on initial recognition:

The amount that may become payable under the option on exercise is recognised as a financial liability at its present value with a corresponding charge directly to the shareholders' equity.

#### Subsequent measurement:

The liability is subsequently accreted through finance charges recognised under exceptional items in the statement of profit and loss upto the redemption amount that is payable at the date on which the option first becomes exercisable. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

### 3.19 Exceptional items

When an item of income or expense within profit or loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the year, the nature and amount of such items are disclosed as exceptional items.

### 3.20 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and cash at banks, demand deposits and short-term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

### 3.21 Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon

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conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented in case of share splits.

### 3.22 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the

chief operating decision maker. The Chairperson and Managing Director of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the Chief Operating Decision Maker (CODM). All operating segments' operating results are reviewed regularly by the CODM to make decisions about resources to be allocated to the segments and assess their performance.

### 3.23 Recent accounting developments

Ministry of Company Affairs (MCA) issued notifications dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Group in its financial statements. These amendments are applicable to the Group for the financial year starting April 1, 2021. The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

## Note No.04 Property, plant and equipment

Particulars	₹ In Million														
	Gross block					Accumulated depreciation					Net block				
	As at April 1, 2020	Effects of foreign currency exchange differences and regroupings	Additions during the year	Disposals during the year	Reclassification (on adoption of Ind AS 116)	Classified as Held for sale as referred in note (iv) below	As at March 31, 2021	As at April 1, 2020	Effects of foreign currency exchange differences and regroupings	Depreciation for the year	Eliminated on disposals of assets	Eliminated on disposal of a businesses referred in note 40	Reclassification (on adoption of Ind AS 116)	As at March 31, 2021	As at March 31, 2021
Freehold Land	989.67	1.87	-	-	-	-	991.54	-	-	-	-	-	-	991.54	989.67
Leasehold Land	1,003.79	0.88	-	-	-	15.00	989.67	-	-	-	-	-	-	989.67	1,003.79
	49.86	-	-	-	-	-	49.86	-	-	-	-	-	-	49.86	49.86
	49.86	-	-	-	-	-	49.86	-	-	-	-	-	-	49.86	49.86
Buildings	2,868.17	(43.52)	52.00	20.01	-	-	2,856.64	460.16	(3.97)	134.10	20.00	-	-	2,286.35	2,408.01
	2,724.04	83.28	128.64	-	-	-	2,868.17	360.36	6.84	133.93	-	40.97	-	2,408.01	2,363.68
Plant and equipments	8,981.38	(146.94)	1,105.51	81.22	-	-	9,858.73	2,386.54	(30.17)	843.32	45.77	-	-	3,153.92	6,704.81
	7,910.83	315.35	815.43	60.23	-	-	8,981.38	1,608.82	48.53	765.74	36.55	-	-	2,386.54	6,594.84
Furniture and fixtures	290.15	(2.28)	25.89	0.11	-	-	314.04	115.10	0.19	36.02	0.11	-	-	151.20	175.05
	274.00	8.75	41.55	0.27	-	-	290.15	99.96	2.03	28.13	0.09	14.93	-	115.10	174.04
Vehicles	79.89	(0.95)	7.98	13.98	-	-	77.94	36.90	(0.69)	10.47	9.32	-	-	37.36	35.58
	82.80	3.55	10.55	12.47	-	-	79.89	36.18	2.09	9.82	7.27	3.92	-	36.90	46.62
Office equipments	840.90	(2.87)	182.19	4.16	-	-	1,018.55	414.11	(1.62)	152.35	3.98	-	-	560.86	426.79
	802.98	16.14	167.16	1.52	-	-	840.90	369.28	6.96	146.27	0.70	41.66	(66.04)	414.11	433.70
<b>Total</b>	<b>14,100.02</b>	<b>(194.69)</b>	<b>1,373.57</b>	<b>119.48</b>	<b>2.88</b>	<b>-</b>	<b>15,162.30</b>	<b>3,412.81</b>	<b>(36.26)</b>	<b>1,176.26</b>	<b>79.18</b>	<b>-</b>	<b>-</b>	<b>4,473.63</b>	<b>10,688.67</b>
Previous year	12,848.30	427.95	1,163.33	74.49	-	15.00	14,100.02	2,474.60	66.45	1,083.89	44.61	101.48	(66.04)	3,412.81	10,687.21

- Notes:**
- (i) Figures in italics relates to previous year.
  - (ii) The above assets, other than to the extent mentioned in notes (iii), are owned by the Group.
  - (iii) In 2008, the Group had entered into a lease cum sale agreement with Karnataka Industrial Area Development Board for purchase of land under a lease cum sale agreement. The Group is in the process of transferring the said land in its name.
  - (iv) The Board of Directors in their meeting held on September 20, 2019 approved the sale and transfer of the company's freehold land worth ₹ 15 Million for sale consideration of ₹ 75 Million. The sale deed was pending registration as on March 31, 2020 and accordingly the asset was classified as 'held for sale' in accordance with Ind AS as on March 31, 2020. During the year, the sale deed has been registered and accordingly asset sale has been completed.
  - (v) Refer note 22 for details of property, plant and equipment pledged as security towards borrowings.

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Particulars	Gross block					Accumulated depreciation					Net block		
	As at April 1, 2020	"Reclassification" (on adoption of Ind AS 116)	Effects of foreign currency exchange differences and regroupings	Additions during the year	De-recognition	As at March 31, 2021	As at April 1, 2020	Reclassification" (on adoption of Ind AS 116)	Effects of foreign currency exchange differences and regroupings	Amortisation for the year	De-recognition	As at March 31, 2021	As at April 1, 2020
Buildings	2,669.92	-	(65.17)	57.43	(180.32)	2,481.86	202.63	-	(5.83)	271.98	(16.70)	2,029.78	2,467.29
Office equipments	1,480.22	78.55	110.56	1,000.59	-	2,669.92	83.65	-	-	202.63	-	2,029.78	1,480.22
<b>Total</b>	<b>2,757.91</b>	<b>-</b>	<b>(65.17)</b>	<b>57.43</b>	<b>(180.32)</b>	<b>2,569.85</b>	<b>286.28</b>	<b>-</b>	<b>(5.83)</b>	<b>276.32</b>	<b>(16.70)</b>	<b>2,029.78</b>	<b>2,471.63</b>
Previous year	1,621.43	166.54	110.56	1,000.59	-	2,757.91	-	-	-	220.24	-	2,471.63	1,621.43

\* Reclassified from Property, plant and equipment and other assets as on 1 April, 2019.

## (ii) Lease Liabilities

Particulars	March 31, 2021	March 31, 2020
Current	345.70	190.92
Non-Current	2,102.67	2,538.33
<b>Total</b>	<b>2,448.37</b>	<b>2,729.25</b>

## Note No.05 Leases

### (i) Right-of-use assets

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## (iii) Amounts Recognised in the statement of Profit or Loss

Particulars	March 31, 2021	March 31, 2020
Amortisation Charge of Right-Of-Use asset		
Buildings	271.98	202.63
Office Equipment	4.34	17.61
<b>Total Depreciation</b>	<b>276.32</b>	<b>220.24</b>
Less: Capitalised	(48.10)	(25.91)
Net Depreciation charged to statement of profit and loss	<b>228.22</b>	<b>194.33</b>
Interest Expense (Included in Finance Cost)	188.85	164.66
Less: Interest capitalised	(40.11)	(22.20)
Net Interest charged to statement of profit and loss	<b>148.74</b>	<b>142.46</b>
Other expenses relating to leases, not included in lease payments	71.96	42.80

## (iv) Total Cash outflow

Particulars	March 31, 2021	March 31, 2020
Buildings	370.98	325.03
Office Equipment	-	22.20
<b>Total</b>	<b>370.98</b>	<b>347.23</b>

## Note No.06 Investment property

Particulars	Gross block			As at March 31, 2021	Accumulated depreciation		Net block		
	As at April 1, 2020	Additions during the year	Disposals during the year		As at April 1, 2020	Depreciation for the year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Land	147.27	-	-	147.27	-	-	-	147.27	147.27
	147.27	-	-	147.27	-	-	-	147.27	147.27
Building	820.68	-	-	820.68	239.93	45.67	285.60	535.08	580.75
	820.68	-	-	820.68	194.21	45.72	239.93	580.75	626.47
<b>Total</b>	<b>967.95</b>	<b>-</b>	<b>-</b>	<b>967.95</b>	<b>239.93</b>	<b>45.67</b>	<b>285.60</b>	<b>682.35</b>	<b>728.02</b>
Previous year	967.95	-	-	967.95	194.21	45.72	239.93	728.02	

### Notes:

(i) Figures in italics relates to previous year.

### (ii) Details of assets given under an operating lease:

Particulars	Gross block		Net block	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Freehold Land	147.27	147.27	147.27	147.27
Buildings	812.96	812.96	531.08	576.30
<b>Total</b>	<b>960.23</b>	<b>960.23</b>	<b>678.35</b>	<b>723.57</b>

## Notes

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### (iii) Details of assets held by Trust and for capital appreciation and not given under lease:

Particulars	₹ In Million			
	Gross block		Net block	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Buildings	7.72	7.72	4.00	4.45
<b>Total</b>	<b>7.72</b>	<b>7.72</b>	<b>4.00</b>	<b>4.45</b>

### (iv) Fair value of investment properties

The fair value of the Company's investment properties as at March 31, 2021 has been arrived at ₹ 1,579 Million (previous year: ₹ 2,021 Million) on the basis of a valuation carried out by independent valuers. The said valuers are registered with the authority which governs valuers in India and have appropriate qualifications and relevant experience in the valuation of properties in the relevant locations. The fair value has been categorised as level 3 hierarchy based on the inputs used in valuation technique. The inputs used are as follows:

- Monthly market rent, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the property; and
- Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition.

### (v) Refer note 22 for details of investment properties pledged as security towards borrowings.

### (vi) Amounts recognised in profit or loss for investment properties

Particulars	₹ In Million	
	Gross block	
	March 31, 2021	March 31, 2020
Rental income	76.99	74.61
Depreciation expense	(45.67)	(45.72)
<b>Profit from investment properties</b>	<b>31.32</b>	<b>28.89</b>

### Note No.07 Goodwill

Particulars	As at April 1, 2020	Effects of foreign currency exchange differences	Acquisition through business combinations	Derecognised on disposal of business as referred in note 40	Impairment loss recognised in the year (Refer note (ii) below)	₹ In Million
						As at March 31, 2021
Goodwill	4,285.58	(33.00)	552.82	-	-	4,805.40
Previous year	13,776.38	162.40	-	(9,558.31)	(94.89)	4,285.58

#### Notes:

(i) Figures in italics relates to previous year.

### (ii) Allocation of goodwill to cash generating units:

Goodwill has been allocated for impairment testing purposes to the following cash-generating units:

- United States of America
- Other regulated markets
- Emerging markets
- Institutional business

## Notes

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The carrying amount of goodwill (other than goodwill related to discontinued operations) are allocated to cash-generating units as follows:

Cash generating units	₹ in Million	
	March 31, 2021	March 31, 2020
United States of America (US)	3,070.41	3,127.86
Other regulated markets	1,387.79	800.10
Emerging markets	347.20	357.62
<b>Total</b>	<b>4,805.40</b>	<b>4,285.58</b>

The recoverable amount of the above cash generating units have been determined based on 'value in use' model, where in the value of cash generating unit is determined as a sum of the net present value of the projected post tax cash flows for a period of 5 years and terminal value. The terminal value of each cash generating unit is arrived at by extrapolating cash flows of latest forecasted year to perpetuity using a constant long term growth rate. Key assumptions used for determining the said value in use of each cash generating unit is as follows:

Key Assumptions	US	Other regulated markets	Emerging Markets	Institutional business
Discount Rate	7.4% - 14.50%	7.32% - 15.36%	10.83%	14.44%
Growth Rate (used for determining Terminal Value)	2% - 5%	2% - 3%	3%	4%

The discount rates used are based on weighted average cost of capital.

The growth rates of the above cash generating units have been considered based on the market conditions prevalent in the countries that would fall in respective cash generating units.

The management believes that the projections used by the management for determining the "value in use" of cash generating units reflect past experience and external sources of information and any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

An analysis of the sensitivity of the computation to the change in key parameters (discount rate, profitability and growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

During the current year, the Group has recognised impairment charge of ₹ Nil (previous year ₹ 94.89 Million) for goodwill pertaining to the Institutional business CGU based on the independent valuation report due to change in market conditions.

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Particulars	Gross block		Accumulated amortisation		Net block	
	As at April 1, 2020	As at March 31, 2021	As at April 1, 2020	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
- Internally generated:						
- Registration and brands	450.68	450.68	245.12	659.29	245.12	205.56
- Others:						
- Registration and brands	2,464.08	2,464.08	566.97	3,383.30	566.97	2,652.51
- Customer / Supply Contracts	353.28	353.28	86.34	807.65	86.34	1,897.11
- Software licenses	585.07	585.07	88.38	353.28	88.38	10,359.33
<b>Total</b>	<b>4,200.28</b>	<b>4,200.28</b>	<b>1,386.21</b>	<b>5,875.23</b>	<b>1,386.21</b>	<b>2,814.07</b>
Previous year	13,865.78	13,865.78	2,314.55	4,200.28	2,314.55	2,814.07

**Notes:**

- (i) Figures in italics relates to previous year.
- (ii) Refer note 22 for details of other intangible assets pledged as security towards borrowings.

## Note No.08 Other intangible assets

# Notes

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## Note No.09 Investments

Investments consist of the following:

### (i) Investment in associates and joint ventures

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>(A) Investments in associates under equity method:</b>		
<b>Equity shares, unquoted</b>		
- 739,288 (As at March 31, 2020: 451,822) shares of ₹ 10 each fully paid up in Stelis Biopharma Private Limited, India (Refer note (i) below)	4,886.68	2,747.50
- 342 (As at March 31, 2020: 342) shares of Ethiopian Birr 1,000 each fully paid up in Regional Bio Equivalence Centre S.C., Ethiopia	-	-
- Nil (As at March 31, 2020: 1,000) shares of ₹ 100 each fully paid up in Strides Consumer Private Limited, India	-	-
- 21,833,626 (As at March 31, 2020: 19,782,717) shares of USD 1 each fully paid up in Strides Global Consumer Healthcare Limited, UK	859.09	1,223.72
- 4 (As at March 31, 2020: 4) shares of CAD 1 each fully paid up in Juno OTC Canada	-	-
- Nil (As at March 31, 2020: 861,000) shares of CHF 1 each fully paid up in Fair-Med Healthcare AG, Switzerland	-	98.16
<b>Preference shares, unquoted</b>		
- Nil (As at March 31, 2020: 1,538,615) shares of ₹ 100 each fully paid up in Strides Consumer Private Limited, India (Refer note 39.3.4)	-	7.43
- 3,734,074 (As at March 31, 2020: 3,734,074) shares of USD 0.001 each fully paid up in Aponia Laboratories Inc, USA	81.99	86.14
Less: Provision for diminution in value of investments (Refer note 35)	(81.99)	-
<b>Total [A]</b>	<b>5,745.77</b>	<b>4,162.95</b>
<b>(B) Investments in joint ventures under equity method:</b>		
<b>Equity shares, unquoted</b>		
- 2,450,000 (As at March 31, 2020: 2,450,000) shares of USD 1 each in Sihuan Strides (HK) Limited, HongKong	93.17	131.02
<b>Total [B]</b>	<b>93.17</b>	<b>131.02</b>
<b>Total [A+B]</b>	<b>5,838.94</b>	<b>4,293.97</b>
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	5,838.94	4,293.97
Aggregate amount of impairment in value of investments	81.99	-

### Note (i)

The Management of Stelis Biopharma Private Limited have performed annual impairment assessment of the carrying value of the assets of the Cash Generating Unit (CGU) (which included the property, plant and equipment, capital work-in progress, right-of use asset, intangible asset and intangible assets under development) as at March 31, 2021. The "value in use" of the CGU has been determined by the external valuation experts using discounted cash flow approach. Based on such valuation, the Company has assessed that there is no impairment.

Determination of value in use involves significant estimates and assumptions that affect the reporting CGU's expected future cash flows. These estimates and assumptions, primarily include, but are not limited to:

- obtaining adequate financing to fulfil the Company's development and commercial activities,
- the risks associated with research, development and obtaining regulatory approvals of the Company's products,
- generation of revenues in due course from the development portfolio and contract manufacturing,
- attainment of profitable operations and
- discount factors

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The expected cash flows used in computation of value in use are based on the probabilities applied to the revenues which also factors management's best estimate of possible delay in product development cycle and regulatory approvals.

Further, the percentage movement in key assumptions that (individually) would be required to reach the point at which the value in use approximates its carrying value is given below:

- Increase in discount rate by 3.54%
- Increase in discount rate by 3.10% and nil terminal growth rate.

### (ii) Investments - non-current

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>(A) Investments carried at fair value through other comprehensive income:</b>		
<b>Equity shares, unquoted</b>		
- 1,050 (As at March 31, 2020: 1,050) shares in Red Vault Investments Pty Limited, Australia	-	-
<b>Total [A]</b>	<b>-</b>	<b>-</b>
<b>(B) Other investments at fair value through other comprehensive income:</b>		
<b>Equity shares, quoted</b>		
- 217,391 (As at March 31, 2020: 217,391 shares in Outlook Therapeutics Inc., USA	35.78	9.83
- 639,430 (As at March 31, 2020: 639,430) shares in Sonnet Biotherapeutics Holdings Inc, USA (Refer note (i) below)	105.24	0.55
<b>Total [B]</b>	<b>141.02</b>	<b>10.38</b>
<b>Total [A+B]</b>	<b>141.02</b>	<b>10.38</b>
Aggregate book value of quoted investments	141.02	10.38
Aggregate market value of quoted investments	141.02	9.83
Aggregate carrying value of unquoted investments	-	0.55
Aggregate amount of impairment in value of investments	-	-

### Note (i)

Pursuant to approval from shareholders, Sonnet Biotherapeutics Inc, USA merged with Chanticleer Holdings, Inc. and the Company has been renamed as Sonnet Biotherapeutics Holdings Inc USA. Subsequent to merger the number, of shares reduced to 639,430. The Merged entity has been listed on April 2, 2020 in NASDAQ, USA.

### (iii) Investments - current

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>Investments carried at fair value through profit and loss</b>		
<b>Investment in funds, unquoted</b>		
- Easterngate Soaring Dragon 2 SP (Units As at March 31, 2021: 133.570, March 31, 2020:157.143)	994.12	1,189.68
<b>Total</b>	<b>994.12</b>	<b>1,189.68</b>
Current investments offered as security towards borrowings	-	-
Highly liquid investments that are readily convertible into known amounts of cash and cash equivalents	994.12	1,189.68

### Note:

The market value of quoted investments is equal to the carrying value.

## Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

### Note No.10 Loans receivable

Loans (unsecured) consist of the following:

#### (i) Non-current loans

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>Considered good:</b>		
Security deposits*	284.89	271.36
Loans to:		
- Related parties (Refer note 49)	103.84	118.33
<b>Total</b>	<b>388.73</b>	<b>389.69</b>

\*Includes security deposit given to related parties as referred in note 49.

#### (ii) Current loans

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>Considered good:</b>		
Loans to:		
- Employees	40.54	26.21
- Related parties (Refer note 49)	-	122.10
<b>Total</b>	<b>40.54</b>	<b>148.31</b>

### Note No.11 Other financial assets

Other financial assets consist of the following:

#### (i) Non-current financial assets

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>Unsecured, considered good:</b>		
Fixed deposits with banks	139.79	6.66
Share application money pending allotment (Refer note 49)	-	25.00
Deferred consideration receivable	5,268.22	4,142.39
<b>Total</b>	<b>5,408.01</b>	<b>4,174.05</b>

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### (ii) Current financial assets

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>Unsecured, considered good:</b>		
Interest accrued on deposit	39.80	38.45
Interest accrued on loans and advances given*	14.17	13.07
Derivative asset	64.54	6.28
Others:		
- Gratuity claim receivables	23.29	9.69
- Insurance claim receivable	57.35	-
- Others	-	4.09
<b>Total</b>	<b>199.15</b>	<b>71.58</b>

\*Includes interest accrued on loans given to related parties as referred in note 49.

### Note No.12 Deferred tax balances

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Deferred tax assets (net)	1,982.21	1,985.75
Deferred tax liabilities (net)	(463.48)	(208.16)
<b>Total</b>	<b>1,518.73</b>	<b>1,777.59</b>

Year ended March 31, 2021	₹ In Million						
	Opening balance	Recognised in statement of profit or loss**	Recognised in other comprehensive income	Recognised in other equity	Acquisitions / disposals	Exchange differences	Closing balance
<b>Deferred tax (liabilities)/ assets in relation to:</b>							
Cash flow hedges (including forward element of forward contracts)	146.74	-	(136.92)	-	-	-	9.82
Property, plant and equipment	(523.03)	(129.16)	-	-	-	17.20	(634.99)
Intangible assets	(481.08)	10.72	-	-	-	3.95	(466.41)
Other financial liabilities	22.66	14.33	-	-	-	(0.57)	36.42
Others	283.48	(6.92)	(26.74)	-	-	(6.74)	243.08
Inventory	392.66	370.83	-	-	-	(0.64)	762.85
Employee benefits	224.97	25.55	12.66	-	-	5.17	268.35
Merger and restructuring related expenses	3.93	1.20	-	-	-	-	5.13
Allowance for credit losses	35.50	13.98	-	-	-	(0.07)	49.41
	<b>105.83</b>	<b>300.53</b>	<b>(151.00)</b>	-	-	<b>18.30</b>	<b>273.66</b>
Tax losses	834.46	(396.30)	-	-	-	(24.13)	414.03
MAT credit entitlement	837.30	(6.26)	-	-	-	-	831.04
<b>Total</b>	<b>1,777.59</b>	<b>(102.03)</b>	<b>(151.00)</b>	-	-	<b>(5.83)</b>	<b>1,518.73</b>

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Year ended March 31, 2020	₹ In Million						
	Opening balance	Recognised in statement of profit or loss**	Recognised in other comprehensive income	Recognised in other equity	Acquisitions / disposals	Exchange differences	Closing balance
<b>Deferred tax (liabilities)/ assets in relation to:</b>							
Cash flow hedges (including forward element of forward contracts)	(33.09)	-	179.82	-	-	0.01	146.74
Property, plant and equipment	(545.61)	44.39	-	-	(12.97)	(8.84)	(523.03)
Intangible assets	(2,163.15)	(61.59)	-	-	1,745.12	(1.46)	(481.08)
Financial assets	(4.70)	4.70	-	-	-	-	-
Other financial liabilities	(36.96)	(25.07)	-	32.44	51.22	1.03	22.66
Others	391.69	(120.06)	-	-	(13.98)	25.83	283.48
Inventory	239.33	171.72	-	-	(18.39)	-	392.66
Employee benefits	244.55	(9.11)	8.32	-	(18.60)	(0.19)	224.97
Merger and restructuring related expenses	13.39	(9.46)	-	-	-	-	3.93
Allowance for credit losses	33.98	1.33	-	-	-	0.19	35.50
	<b>(1,860.57)</b>	<b>(3.15)</b>	<b>188.14</b>	<b>32.44</b>	<b>1,732.40</b>	<b>16.57</b>	<b>105.83</b>
Tax losses	543.43	256.73	-	-	-	34.30	834.46
MAT credit entitlement	989.93	(152.63)	-	-	-	-	837.30
<b>Total</b>	<b>(327.21)</b>	<b>100.95</b>	<b>188.14</b>	<b>32.44</b>	<b>1,732.40</b>	<b>50.87</b>	<b>1,777.59</b>

\*\* including deferred tax expenses recognised in discontinued operations.

Under the Indian Income Tax Act, 1961, the Company is liable to pay Minimum Alternate Tax (MAT). MAT paid can be carried forward for a certain period and can be set off against the future tax liabilities. MAT is recognised as deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefits associated with the asset will be realised.

### Note No.13 Income tax assets (net)

The income tax expense consists of the following:

#### Non-current income tax assets

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Advance income tax (net of provisions)	708.37	740.18
Taxes paid under protest	593.77	593.77
<b>Total</b>	<b>1,302.14</b>	<b>1,333.95</b>

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### Note No.14 Other assets

Other assets (unsecured) consist of the following:

#### (i) Other non-current assets

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>Considered good:</b>		
Capital advances	141.35	358.79
Prepaid expenses	55.06	50.89
Lease equalisation asset	2.18	13.55
Balances with Government Authorities:		
- VAT credit / refund receivable	20.32	38.66
- Indirect taxes paid under protest	25.78	25.78
<b>Others:</b>		
- Receivable from KIADB	4.79	4.79
<b>Total</b>	<b>249.48</b>	<b>492.46</b>

#### (ii) Other current assets

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>Considered good:</b>		
Advance to suppliers	328.00	1,009.79
Advance to employees	4.41	27.52
Advances to others	44.83	19.43
Prepaid expenses	526.86	484.20
Balances with Government Authorities	904.95	977.39
Incentives receivables	256.21	264.91
<b>Total</b>	<b>2,065.26</b>	<b>2,783.24</b>

### Note No.15 Inventories\*

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Raw materials (including goods in transit)	5,516.96	5,067.21
Work-in-progress	385.62	609.48
Finished goods	5,359.47	1,826.73
Finished goods-in-transit	277.23	29.70
Stock-in-trade	244.07	116.96
Stores and spares	223.68	175.31
<b>Total</b>	<b>12,007.03</b>	<b>7,825.39</b>

\* Refer note 3.16 for mode of valuation of inventories.

## Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

### Note No.16 Trade receivables

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>Unsecured</b>		
Considered good*	11,068.59	9,316.94
Credit impaired	620.18	684.23
	11,688.77	10,001.17
Less: Allowance for credit loss (Refer note 51.6)	(620.18)	(684.23)
<b>Total</b>	<b>11,068.59</b>	<b>9,316.94</b>

\* Includes receivables from related parties as referred in note 49.

The Group has availed bill discounting facilities from the banks which do not meet the derecognition criteria for transfer of contractual rights to receive cashflows from the respective trade receivables since they are with recourse to the group. Accordingly as at March 31, 2021, trade receivables balances include ₹ 864.14 Million (As at March 31, 2020: ₹ 1,086.50 Million) and the corresponding financial liability to the banks is included as part of working capital loan under short-term borrowings.

### Note No.17 Cash and cash equivalents

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Cash on hand	2.96	2.43
<b>Balances with banks:</b>		
- In current accounts	1,056.70	1,467.44
- In deposit accounts	5.27	264.06
- Funds-in-transit	193.41	88.41
<b>Total</b>	<b>1,258.34</b>	<b>1,822.34</b>

The disclosures regarding details of specified bank notes held and transacted during November 8, 2016 to 30 December 2016 have not been made since the requirement does not pertain to financial year ended March 31, 2021.

### Note No.18 Other balances with banks

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
In deposit accounts	496.20	462.20
<b>In earmarked accounts:</b>		
- Unpaid dividend accounts	21.68	58.85
- Unpaid shares accounts	0.33	1.63
- Group gratuity accounts	1.26	1.26
- Balance held as margin money against working capital facilities with banks	19.84	24.69
<b>Total</b>	<b>539.31</b>	<b>548.63</b>



## Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

### Note No.19 Equity share capital

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>Authorised</b>		
188,370,000 equity shares of ₹ 10/- each with voting rights (Refer note 50.2) (March 31, 2020: 188,370,000 equity shares of ₹ 10/- each)	1,883.70	1,883.70
<b>Total</b>	<b>1,883.70</b>	<b>1,883.70</b>
<b>Issued, subscribed and fully paid-up</b>		
89,680,964 equity shares of ₹ 10/- each with voting rights (March 31, 2020: 89,565,464 equity shares of ₹ 10/- each)	896.81	896.81
<b>Total</b>	<b>896.81</b>	<b>896.81</b>

#### (i) Reconciliation of number of shares and amount outstanding:

Particulars	Notes	March 31, 2021		March 31, 2020	
		No. of shares	₹ In Million	No. of shares	₹ In Million
<b>Equity share capital</b>					
Equity share of ₹ 10/- each					
<b>Balance at the beginning of the year</b>		<b>89,565,464</b>	<b>895.65</b>	<b>89,549,476</b>	<b>895.49</b>
Changes in equity share capital during the year					
Shares issued pursuant to the exercise of stock options	45	115,500	1.16	15,988	0.16
<b>Balance at the end of the year</b>		<b>89,680,964</b>	<b>896.81</b>	<b>89,565,464</b>	<b>895.65</b>

#### (ii) Detail of the rights, preferences and restrictions attaching to each class of outstanding equity shares of ₹ 10/- each:

The Company has only one class of equity shares, having a par value of ₹ 10/- each. The holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to approval by the shareholders at the ensuing annual general meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

#### (iii) Details of equity shares held by each shareholder holding more than 5% of equity shares:

Particulars	March 31, 2021		March 31, 2020	
	No. of Shares	%	No. of Shares	%
Pronomz Ventures LLP	16,484,247	18.38%	12,665,000	14.14%
SBI Long Term Equity Fund	5,798,104	6.47%	6,808,080	7.60%
Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pharma & Healthcare Fund	6,251,740	6.97%	5,550,388	6.20%
Life Insurance Corporation of India	4,985,701	5.56%	3,250,000	3.63%

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#### (iv) Details of equity shares of ₹ 10/- each reserved for issuance:

Particulars	No. of Shares	
	March 31, 2021	March 31, 2020
Towards employee stock options under the various Strides stock option plans (Refer note 45)	2,602,800	2,543,000
<b>Total</b>	<b>2,602,800</b>	<b>2,543,000</b>

#### (v) Buy back of shares, issue of bonus shares and shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.

There have been no buy back of shares, issue of shares by way of bonus shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the Balance sheet date.

### Note No.17 Other equity

Particulars	Notes	₹ In Million	
		March 31, 2021	March 31, 2020
<b>(A) Reserves and surplus</b>			
Capital reserve	20 (A)(i)	214.84	425.46
Securities premium	20 (A)(ii)	17,272.67	17,008.37
Capital redemption reserve	20 (A)(iii)	601.61	601.61
Share options outstanding account	20 (A)(iv)	47.20	57.24
Equity for gross obligation	20 (A)(v)	(4,063.14)	(3,840.13)
General reserve	20 (A)(vi)	4,015.69	4,010.28
Retained earnings	20 (A)(vii)	4,849.50	2,344.23
<b>(B) Items of other comprehensive income</b>			
FVOCI equity investments reserve	20 (B)(i)	(598.77)	(703.08)
Cash flow hedging reserve	20 (B)(ii)	(197.39)	(563.31)
Foreign currency translation reserve	20 (B)(iii)	4,887.43	5,183.76
Remeasurement of the defined benefit liabilities / (asset)	20 (B)(iv)	(159.84)	(145.91)
<b>Total</b>		<b>26,869.80</b>	<b>24,378.52</b>

#### Nature and purpose of other reserve

##### (a) Capital reserve

Capital reserve is created on account of Foreign Currency Convertible Bonds, business combinations and demerger. It is utilised in accordance with the provisions of the Companies Act, 2013.

##### (b) Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

##### (c) Capital redemption reserve

Capital redemption reserve is a statutory, non-distributable reserve into which the amounts are transferred following the redemption or purchase of Company's own shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

## Notes

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### (d) Share options outstanding account

The fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to employee stock options outstanding account. The amount of cost recognised is transferred to share premium on exercise of the related stock options.

### (e) Equity for gross obligation

The Group has issued written put option to non-controlling interests in certain subsidiaries of the Group in accordance with the terms of underlying agreement with such option holders. Should the option be exercised, the Group has to settle such liability by payment of cash. On initial recognition, the amount that may become payable under the option on exercise is recognised as a financial liability at its present value of the redemption amount with a corresponding charge directly to the other equity.

### (f) General reserve

General reserves are the retained earnings of a Group which are appropriated out of Group's profits. General reserve is a free reserve which can be utilised for any purpose after fulfilling certain conditions in accordance with the provisions of the Companies Act, 2013.

### (g) Retained Earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to other reserves, dividends or other distributions paid to its equity shareholders.

### (h) FVOCI equity investments reserve

The Group has elected to recognise changes in the fair value of certain investments in other comprehensive income. These changes are accumulated within FVOCI equity investments reserve.

### (i) Cash flow hedging reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses (net of taxes, if any) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges.

### (j) Foreign currency translation reserve

The translation reserve comprise all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation.

### (k) Remeasurement of the defined benefit liabilities / (asset)

The cumulative balances of actuarial gain or loss arising on remeasurements of defined benefit plan is accumulated and recognised within this component of other comprehensive income. Items included in actuarial gain or loss reserve will not be reclassified subsequently to statement of profit and loss.

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>(A) Reserves and surplus</b>		
<b>(i) Capital reserve</b>		
Opening balance	425.46	573.72
Less: Pursuant to acquisition from non-controlling interest (Refer note 39)	-	(148.26)
Less: Adjustment pursuant to the scheme of merger (Refer note 50.2)	(210.62)	-
<b>Closing balance</b>	<b>214.84</b>	<b>425.46</b>
<b>(ii) Securities premium</b>		
Opening balance	17,008.37	17,000.81
Add: Adjustment pursuant to the scheme of merger (Refer note 50.2)	210.62	-
Add: Premium received on shares issued during the year	53.68	7.56
<b>Closing balance</b>	<b>17,272.67</b>	<b>17,008.37</b>

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Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>(iii) Capital redemption reserve</b>		
Opening balance	601.61	601.61
<b>Closing balance</b>	<b>601.61</b>	<b>601.61</b>
<b>(iv) Share options outstanding account (Refer note 45)</b>		
Opening balance	57.24	75.70
Less: Transferred to securities premium account on exercise of ESOPs	(19.85)	(2.92)
Less: Transferred to general reserve on stock options lapse	(5.41)	(33.07)
Add: Employee stock compensation expenses (including expenses pertaining to discontinued operations)	15.22	17.53
<b>Closing balance</b>	<b>47.20</b>	<b>57.24</b>
<b>(v) Equity for gross obligation</b>		
Opening balance	(3,840.13)	(3,840.13)
Add: Pursuant to business combinations (Refer note 39)	(223.01)	-
<b>Closing balance</b>	<b>(4,063.14)</b>	<b>(3,840.13)</b>
<b>(vi) General reserve</b>		
Opening balance	4,010.28	3,977.21
Add: Transferred from share options outstanding account	5.41	33.07
<b>Closing balance</b>	<b>4,015.69</b>	<b>4,010.28</b>
<b>(vii) Retained earnings</b>		
Opening balance	2,344.23	3,809.69
Adjustments pursuant to adoption of IND AS 116, (net of tax)	-	(266.35)
<b>Adjusted opening balance</b>	<b>2,344.23</b>	<b>3,543.34</b>
Add: Profit for the year	2,684.42	363.91
Less: Dividend on equity shares including taxes	(179.15)	(1,563.02)
<b>Closing balance</b>	<b>4,849.50</b>	<b>2,344.23</b>
<b>Total Reserves and surplus [A]</b>	<b>22,938.37</b>	<b>20,607.06</b>
<b>(B) Items of other comprehensive income</b>		
<b>(i) FVOCI equity investments reserve</b>		
Opening balance	(703.08)	(601.61)
Add / (Less): Other comprehensive income for the year (net of taxes)	104.31	(101.47)
<b>Closing balance</b>	<b>(598.77)</b>	<b>(703.08)</b>
<b>(ii) Cash flow hedging reserve</b>		
Opening balance	(563.31)	(185.79)
Add / (Less): Other comprehensive income for the year (net of taxes)	365.92	(377.52)
<b>Closing balance</b>	<b>(197.39)</b>	<b>(563.31)</b>
<b>(iii) Foreign currency translation reserve</b>		
Opening balance	5,183.76	4,288.80
Add / (Less): Other comprehensive income for the year	(296.33)	894.96
<b>Closing balance</b>	<b>4,887.43</b>	<b>5,183.76</b>
<b>(iv) Remeasurement of the defined benefit liabilities / (asset)</b>		
Opening balance	(145.91)	(108.46)
Add / (Less): Other comprehensive income for the year (net of taxes)	(13.93)	(37.45)
<b>Closing balance</b>	<b>(159.84)</b>	<b>(145.91)</b>
<b>Total items of other comprehensive income [B]</b>	<b>3,931.43</b>	<b>3,771.46</b>
<b>Attributable to equity holders of the Company [A + B]</b>	<b>26,869.80</b>	<b>24,378.52</b>

## Notes

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### Note No.21 Non-controlling interests

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Opening balance	672.38	1,529.54
Add: Loss for the year	(107.13)	(57.95)
Add / (Less): Other comprehensive income for the year	5.58	(7.82)
Add / (Less): Pursuant to exchange movement	(8.21)	9.27
Add / (Less) Pursuant to business combinations (Refer note 39)	(189.21)	-
Add / (Less): Pursuant to dividend to non controlling interest	-	(9.49)
Add / (Less): Pursuant to disposal / allotment of shares to non-controlling interest	-	(794.34)
Add / (Less): Pursuant to acquisition of non-controlling interest in subsidiary (Refer note 39)	-	3.17
<b>Closing balance</b>	<b>373.41</b>	<b>672.38</b>

### Note No.22 Borrowings

Borrowings consist of the following:

#### (i) Non-current borrowings

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>Secured</b>		
- Term loans from banks (Refer note (i) to (xii) below)	7,890.89	6,017.91
- Term loans from others (Refer note (xiii) to (xiv) below)	843.40	-
<b>Unsecured</b>		
- Term loans from others (Refer note (xv) to (xvii) below)	91.49	21.18
<b>Total</b>	<b>8,825.78</b>	<b>6,039.09</b>

#### Details of security and terms of repayment for the non-current borrowings:

Terms of repayment and security	₹ In Million	
	March 31, 2021	March 31, 2020
<b>(i) Term loans from banks: Loan 1</b>		
Long-term loan	2.86	-
Current maturities of long-term loan	1.06	1.52
Security: Hypothecation of assets procured from the term loans. Rate of interest: 7.0% to 8.0% p.a. Repayment terms: 36 to 60 equal monthly instalments. The outstanding term as at March 31, 2021 is 31 to 56 installments.		
<b>(ii) Term loans from banks: Loan 2</b>		
Long-term loan	398.50	-
Current maturities of long-term loan	93.75	-
Security: Pari-Passu first charge on the fixed assets of the Company and second pari-passu charge on the current assets of the Company Rate of interest: 9.0% p.a. to 10.0% p.a. Repayment terms: 48 equal monthly instalments commencing after 12 months from disbursement date. The outstanding term as at March 31, 2021 is 48 installments.		

## Notes

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Terms of repayment and security	₹ In Million	
	March 31, 2021	March 31, 2020
<b>(iii) Term loans from banks: Loan 3</b>		
Long-term loan	33.33	-
Current maturities of long-term loan	200.00	-
Security: Extension of first pari-passu charge on the entire current assets of the Company, both present and future, and extension of second pari-passu charge on all the fixed asset of the Company, both present and future, excluding land and building at CBD Belapur & Navi Mumbai Rate of interest: 7.0% p.a. to 8.0% p.a. Repayment terms: 18 equal monthly instalments after initial moratorium. The outstanding term as at March 31, 2021 is 14 installments.		
<b>(iv) Term loans from banks: Loan 4</b>		
Long-term loan	197.30	-
Current maturities of long-term loan	-	-
Security: First pari-passu charge on the fixed asset of the Company excluding properties at CBD Belapur and Navi Mumbai and second pari-passu charge on the current assets of the Company Rate of interest: 9.5% p.a. to 10.0% p.a. Repayment terms: 48 equal monthly instalments after initial moratorium. The outstanding term as at March 31, 2021 is 48 installments		
<b>(v) Term loans from banks: Loan 5</b>		
Long-term loan	138.96	191.76
Current maturities of long-term loan	165.22	212.13
Security : First charge on all the fixed assets, intangible assets and current assets of the borrowing subsidiary, both present and future Rate of interest: Bank USD Base rate Repayment terms: Repayable in 36 to 60 monthly instalments. The outstanding term as at March 31, 2021 ranges between 1 to 37 instalments.		
<b>(vi) Term loans from banks: Loan 6</b>		
Long-term loan	2,724.79	3,390.44
Current maturities of long-term loan	548.61	376.72
Security: First pari-passu charge on all current assets and fixed assets including intangible assets of the borrowing subsidiary, its holding company and first pari-passu charge on the fixed assets and second pari-passu charge on the current assets of the ultimate holding company, both present and future Rate of interest: 6 months LIBOR + 230 bps p.a. Repayment terms: Repayable in 12 half yearly instalments. The outstanding term as at March 31, 2021 is 10 instalments.		
<b>(vii) Term loans from banks: Loan 7</b>		
Long-term loan	522.53	1,129.33
Current maturities of long-term loan	594.33	423.80
Security: First pari-passu charge on all current assets and fixed assets including intangible assets of the borrowing subsidiary and first pari-passu charge on the fixed assets and second pari-passu charge on the current assets of the ultimate holding company, both present and future Rate of interest: 6 months LIBOR + 300 bps p.a. Repayment terms: Repayable in 16 structured quarterly instalments. The outstanding term as at March 31, 2021 is 7 instalments.		

## Notes

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	₹ In Million	
Terms of repayment and security	March 31, 2021	March 31, 2020
<b>(viii) Term loans from banks: Loan 8</b>		
Long-term loan	-	732.88
Current maturities of long-term loan	-	251.14
Security: First pari-passu charge on all current assets of the borrowing subsidiary, both present and future. Rate of interest: 3 months LIBOR + 350 bps p.a. Repayment terms: Repayable in 18 structured quarterly instalments after an initial moratorium period of 6 months from the date of first disbursement. The loan was fully repaid during the year.		
<b>(ix) Term loans from banks: Loan 9</b>		
Long-term loan	288.37	-
Current maturities of long-term loan	66.60	-
Security: First pari-passu charge on all fixed assets of the borrowing subsidiary, both present and future Rate of interest: 5.0% p.a. Repayment terms: Repayable in 60 equal monthly instalments. The outstanding term as at March 31, 2021 is 58 instalments.		
<b>(x) Term loans from banks: Loan 10</b>		
Long-term loan	-	50.00
Current maturities of long-term loan	50.00	25.00
Security: First pari-passu charge on all current assets and fixed assets including intangible assets of the borrowing subsidiary, present and future Rate of interest: 1 year MCLR + 150 bps p.a. Repayment terms: Repayable in 16 structured quarterly instalments after an initial moratorium period of 12 months from the date of first disbursement. The outstanding term as at March 31, 2021 is 8 instalments.		
<b>(xi) Term loans from banks: Loan 11</b>		
Long-term loan	322.80	523.51
Current maturities of long-term loan	165.67	-
Security: First pari-passu charge on all current assets and fixed assets including intangible assets of the borrowing subsidiary, present and future Rate of interest: 3 Months LIBOR + 275 bps p.a. Repayment terms: Repayable in 14 structured quarterly instalments after an initial moratorium period. The outstanding term as at March 31, 2021 is 12 instalments.		
Terms of repayment and security	31-Mar-21	31-Mar-20
<b>(xii) Term loans from banks: Loan 12</b>		
Long-term loan	3,261.45	-
Current maturities of long-term loan	-	-
Security: First charge on the current assets of the borrowing subsidiary and Pari-Passu first charge on the fixed assets of the borrowing subsidiary. Rate of interest: 1 month LIBOR / 0.25% base rate, whichever is higher + 2.25% p.a. Repayment terms: : Repayable at the end of 3 years with an option to renew for next 3 years.		
<b>(xiii) Term loans from others: Loan 13</b>		
Long-term loan	461.98	-
Current maturities of long-term loan	31.25	-
Security: Pari-Passu first charge on the fixed assets of the Company and second Pari-passu charge on the current assets of the Company Rate of interest: 9.5% p.a. to 10.5% p.a. Repayment terms: 60 equal monthly instalments from date of first disbursement. The outstanding term as at March 31, 2021 is 48 installments.		

## Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

	₹ In Million	
Terms of repayment and security	March 31, 2021	March 31, 2020
<b>(xiv) Term loans from others: Loan 14</b>		
Long-term loan	381.42	-
Current maturities of long-term loan	52.92	-
Security: Pari-Passu first charge on the fixed assets of the Company (excluding land and building at Navi Mumbai). Rate of interest: 10.0 % p.a. to 11.0% p.a. Repayment terms: 20 quarterly structured instalments commencing after initial moratorium. The outstanding term as at March 31, 2021 is 19 installments.		
<b>(xv) Unsecured Long-term loans from banks</b>		
Long-term loan	38.76	-
Current maturities of long-term loan	-	-
Rate of interest: Nil Repayment terms: Within 5 years from date of drawdown.		
<b>(xvi) Unsecured Long-term loans from others *</b>		
Long-term loan	29.14	9.12
Current maturities of long-term loan	0.31	0.24
Rate of interest: 7% p.a. Repayment terms: Repayable at the option of the borrower on or before 2 years from the date of disbursement		
<b>(xvii) Unsecured Long-term loans from others *</b>		
Long-term loan	23.59	12.05
Current maturities of long-term loan	-	-
Rate of interest: 7.0% p.a. (Prime lending rate as on March 31, 2021) Repayment terms: Repayable at the option of the borrower.		
<b>Total</b>	<b>10,795.50</b>	<b>7,329.64</b>

\* Loan taken by foreign subsidiary

	₹ In Million	
Particulars	March 31, 2021	March 31, 2020
Disclosed under long term borrowings	8,825.78	6,039.09
Disclosed under other current liabilities :		
- Current maturities of long-term loans	1,969.72	1,290.55
<b>Total</b>	<b>10,795.50</b>	<b>7,329.64</b>

### (ii) Current borrowings

	₹ In Million	
Particulars	March 31, 2021	March 31, 2020
<b>Secured loans repayable on demand from banks: (Refer note below)</b>		
- Working capital loans	6,810.23	7,139.02
- Short-term loans	2,812.44	5,105.33
<b>Unsecured loans</b>		
- Short-term loans from others	21.23	18.75
- Loans repayable on demand from banks and others	594.48	24.65
<b>Total</b>	<b>10,238.38</b>	<b>12,287.75</b>

## Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

### Note:

*Details of security for the secured loans repayable on demand:* Working capital and short-term loans from banks are secured by first pari passu charge over current assets of the Group and second pari passu charge on movable and immovable fixed assets of the Company (other than land and building situated at Navi Mumbai and Hosur).

Rate of interest ranges from 1.40% to 13.00% p.a. (previous year 3.25% to 13.00% p.a)

### Net debt reconciliation

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Non-current borrowings	8,825.78	6,039.09
Current borrowings	10,238.38	12,287.75
Current maturities of non-current borrowings	1,969.72	1,290.55
<b>Less:</b>		
Cash and cash equivalents	1,258.34	1,822.34
Balances in deposit accounts	496.20	462.20
Cash and bank balances	1,754.54	2,284.54
Current investments (highly liquid)	994.12	1,189.68
<b>Net debt</b>	<b>18,285.22</b>	<b>16,143.17</b>

Reconciliation	Cash and bank balances	Current investments (highly liquid)	Non Current borrowings (including current maturities)	Current borrowings	Net debt
<b>As on April 1, 2020</b>	2,284.54	1,189.68	7,329.64	12,287.75	16,143.17
Pursuant to business combinations (Refer note 39)	107.12	-	-	-	(107.12)
Cash flows	(624.92)	(174.74)	3,573.64	(1,824.26)	2,549.04
Effect of exchange differences on restatement of foreign currency balances	(12.20)	(32.44)	(107.78)	(225.11)	(288.25)
Others	-	11.62	-	-	(11.62)
<b>As on March 31, 2021</b>	<b>1,754.54</b>	<b>994.12</b>	<b>10,795.50</b>	<b>10,238.38</b>	<b>18,285.22</b>

### Note No.23 Other financial liabilities

Other financial liabilities consist of the following:

#### (i) Other non-current financial liabilities

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Security deposits	39.59	36.90
Derivative liability	156.19	288.33
Contingent consideration payable	320.12	353.20
Gross obligation under written put option	237.75	-
<b>Total</b>	<b>753.65</b>	<b>678.43</b>

## Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

### (i) Other current financial liabilities

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Current maturities of long-term loans (Refer note 22 (i) above)	1,969.72	1,290.55
Interest accrued but not due on borrowings	47.85	103.67
Unclaimed dividends *	21.68	58.54
Derivative liability	115.55	429.39
Gross obligation under written put option	93.06	82.37
Other payables:		
- Payables on purchase of property, plant and equipments and intangible assets	211.39	273.09
- Payables on purchase of non-current investments	110.40	202.67
- Contingent consideration for acquisition of subsidiaries	88.79	182.52
- Payables to employees	64.87	16.07
- Others	52.95	8.09
<b>Total</b>	<b>2,776.26</b>	<b>2,646.96</b>

\*Investor Education and Protection Fund shall be credited when due.

### Note No.24 Provisions

Provisions consist of the following:

#### (i) Non-current provisions

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>Provision for employee benefits:</b>		
Gratuity and other benefits (Refer note 46)	404.29	315.51
<b>Provision - Others:</b>		
- Provision for sales return	269.79	324.01
<b>Total</b>	<b>674.08</b>	<b>639.52</b>

#### (ii) Current provisions

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Provision for sales return	300.66	379.40
Provision for claims	585.19	602.74
<b>Provision for employee benefits:</b>		
- Compensated absences	352.11	269.99
- Gratuity and other benefits (Refer note 46)	3.95	3.11
<b>Total</b>	<b>1,241.91</b>	<b>1,255.24</b>

## Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

### Movement in provisions

Particulars	₹ In Million			
	Claims	Gratuity and other benefits	Compensated absences	Sales return
Opening balance as at April 1, 2020	602.74	318.62	269.99	703.41
Provision recognised / (utilised) during the year (net of exchange)	(17.55)	89.62	82.12	(132.96)
<b>Closing balance as at March 31, 2021</b>	<b>585.19</b>	<b>408.24</b>	<b>352.11</b>	<b>570.45</b>

### Note No.25 Other liabilities

Other liabilities consist of the following:

#### (i) Other non-current liabilities

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Asset retirement obligation	15.05	15.30
Prepaid rent liability	1.08	3.38
<b>Total</b>	<b>16.13</b>	<b>18.68</b>

#### (ii) Other current liabilities

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>Other payables:</b>		
- Advances from customers	239.01	313.96
- Advance for sale of property, plant and equipment	-	72.17
- Statutory liabilities	404.80	320.89
<b>Total</b>	<b>643.81</b>	<b>707.02</b>

### Note No.26 Trade payables

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Total outstanding dues of micro enterprises and small enterprises	378.35	199.52
Total outstanding dues of creditors other than micro and small enterprises	11,407.89	7,777.96
<b>Total</b>	<b>11,786.24</b>	<b>7,977.48</b>

\* includes dues to related party as referred in note 49.

## Notes

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### (i) Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

There are no material dues owed by the Group to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at March 31, 2021. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group and has been relied upon by the auditors.

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each year		
- Principal amount due to micro and small enterprises	378.35	199.52
- Interest due on the above	5.18	12.85
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	1,294.53	-
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	23.77	-
(iv) The amount of interest accrued and remaining un-paid at the end of each accounting year.	28.95	12.85
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006	41.80	12.85

The above disclosures are provided by the Group based on the information available with the Group in respect of the registration status of its vendors/suppliers.

All trade payables are current. The Group's exposure to the currency and liquidity risks related to trade payables is disclosed in note 51.

### Note No.27 Tax liabilities

#### (i) Non current tax liabilities (net)

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Provision for tax (net of advance tax)	1,790.91	-
<b>Total</b>	<b>1,790.91</b>	<b>-</b>

#### (ii) Current tax liabilities (net)

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Provision for tax (net of advance tax)	351.18	383.20
<b>Total</b>	<b>351.18</b>	<b>383.20</b>

## Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

### Note No.28 Revenue from operations

#### A. Revenue streams

The Group is primarily involved into development and manufacture of pharmaceutical products. Other operating revenue include support service, royalty income and export incentives.

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Sale of products	32,148.35	26,403.62
Sale of services	363.20	163.83
Other operating revenues*	647.15	952.26
<b>Total</b>	<b>33,158.70</b>	<b>27,519.71</b>

\*Other operating revenue include support service income ₹ 291.11 Million (2020: ₹ 259.70 Million), royalty income ₹ 76.04 Million (2020: ₹ 247.28 Million) and export incentives ₹ 280 Million (2020: ₹ 445.28 Million).

#### B. Disaggregated revenue information

In the following table, revenue from contracts with customers is disaggregated by primary geographical market

##### Revenue from contracts with customers (Continuing operations)

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
North America	16,458.90	15,709.03
Australia	2,452.86	1,874.54
Africa	5,203.26	2,977.67
Europe	7,295.04	5,002.16
India	400.74	570.09
Asia (excluding India)	608.17	222.82
Others	92.58	211.14
	<b>32,511.55</b>	<b>26,567.45</b>
<b>Revenue from other sources</b>		
Other operating revenue	647.15	952.26
	<b>647.15</b>	<b>952.26</b>
<b>Total revenue from operations</b>	<b>33,158.70</b>	<b>27,519.71</b>

Geographical revenue is allocated based on the location of the customers.

#### C. Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partial unsatisfied) at the reporting date.

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Sale of services	214.74	294.40

## Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

### D. Reconciliation of revenue from contracts with customers

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Revenue from contracts with customers as per the contract price	54,087.68	46,162.32
Adjustments made to contract price on account of :-		
a) Discounts / Rebates / Incentives	(21,315.77)	(17,788.42)
b) Sales returns/ reversals	(260.36)	(316.67)
c) Sales returns/ reversals related to Ranitidine withdrawal*	-	(1,489.78)
<b>Revenue from Contracts with customers as per statement of profit and loss</b>	<b>32,511.55</b>	<b>26,567.45</b>

\* Ranitidine returns for the current year is disclosed under exceptional items (Refer note 35).

### Note No.29 Other income

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Interest income	353.01	368.87
Income from current investments	11.93	45.19
Rental income from operating leases	76.99	74.61
Other non-operating income:		
- Liabilities / provisions no longer required written back	7.45	-
- Guarantee commission *	41.51	42.46
- Profit on sale of plant, property and equipment and intangible assets (net)	23.38	-
<b>Total</b>	<b>514.27</b>	<b>531.13</b>

\* includes guarantee commission from related parties as referred in note 49.

### Note No.30 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>Inventories at the end of the year</b>		
- Work-in-progress	385.62	609.48
- Stock-in-trade	244.07	116.96
- Finished goods	5,636.70	1,856.43
	<b>6,266.39</b>	<b>2,582.87</b>
<b>Less: Write off on account of withdrawal (Refer note 35)</b>		
- Finished goods	-	841.79
	-	<b>841.79</b>
<b>(Add)/Less: Consolidation adjustment:</b>		
- Work-in-progress	(3.68)	5.44
- Stock-in-trade	-	34.59
- Finished goods	(16.40)	210.68
	<b>(20.08)</b>	<b>250.71</b>
<b>Inventories at the beginning of the year</b>		
- Work-in-progress	609.48	586.45
- Stock-in-trade	116.96	1,974.56
- Finished goods	1,856.43	1,896.06
	<b>2,582.87</b>	<b>4,457.07</b>

## Notes

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Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>Add: Opening stock pertaining to entity acquired during the year (Refer note 39)</b>		
- Finished goods	166.54	-
	<b>166.54</b>	-
<b>Add: Opening stock pursuant to the disposal of entity (Refer note 40)</b>		
- Stock-in-trade	-	(1,607.27)
- Finished goods	-	(123.96)
	-	<b>(1,731.23)</b>
<b>Total</b>	<b>(3,537.06)</b>	<b>(448.11)</b>

### Note No.31 Employee benefits expense

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Salaries, wages and bonus	4,656.28	3,750.83
Contribution to provident and other funds (Refer note 46)	393.30	320.97
Share based compensation expense (Refer note 45)	68.02	17.53
Staff welfare expenses	383.87	336.25
<b>Total</b>	<b>5,501.47</b>	<b>4,425.58</b>

### Note No.32 Finance costs

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Interest expense on:		
- Borrowings	1,092.47	1,201.85
- Leases (Refer note 5)	148.74	142.46
- Discounting of deposits	2.79	3.52
Other finance costs	256.65	209.37
<b>Total</b>	<b>1,500.65</b>	<b>1,557.20</b>

### Note No.33 Depreciation and amortisation expense

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Depreciation on plant, property and equipments (Refer note 4)	1,176.26	1,083.89
Amortisation on Right to use (Refer note 5)	228.22	194.33
Depreciation on investment property (Refer note 6)	45.67	45.72
Amortisation on other intangible asset (Refer note 8)	612.72	553.97
<b>Amount charged to the statement of profit and loss:</b>	<b>2,062.87</b>	<b>1,877.91</b>
- under continuing operations	<b>2,062.87</b>	<b>1,737.02</b>
- under discontinued operations	-	<b>140.89</b>

## Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

### Note No.34 Other expenses

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Subcontracting charges	453.54	340.47
Consumption of stores and spares	759.87	615.01
Power, fuel and water	645.82	644.86
Rent including lease rentals (Refer note 5)	71.96	42.80
Repairs and maintenance:		
- Buildings	53.47	74.68
- Machinery	451.66	391.38
- Others	380.90	300.87
Insurance	170.64	130.55
Rates and taxes	589.38	441.22
Communication expense	87.14	75.53
Travelling and conveyance	62.82	163.42
Printing and stationery	41.85	44.97
Carriage, freight and forwarding	2,003.94	1,204.12
Business promotion	130.48	110.82
Sales commission	97.76	55.79
Failure to Supply	588.35	95.44
Donations and contributions	5.09	1.11
Legal and professional fees (Refer note (i) below)	893.47	1,020.45
Provision for doubtful debts (including bad debt written off)	94.61	114.77
Loss on sale of plant, property and equipments and intangible assets (net)	-	53.05
Bio-study expenses	279.94	385.52
Miscellaneous expenses	198.48	215.17
<b>Total</b>	<b>8,061.17</b>	<b>6,522.00</b>

#### Note:

(i) Payments to the statutory auditors comprises (net of taxes) for:

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
- Audit of Standalone, consolidated financial statements, limited review and other certifications	19.95	19.20
- Reimbursement of expenses	0.66	0.96
<b>Total</b>	<b>20.61</b>	<b>20.16</b>



## Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

### Note No.35 Exceptional items

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Exchange gain / (loss) on long-term foreign currency loans, deferred consideration and intra-group loans	1,027.73	(551.77)
Impairment of Goodwill (Refer note 7)	-	(94.89)
Impairment of investment in associate	(81.99)	-
Sales returns, write down of inventory and other expenses on account of Ranitidine withdrawal (Refer note below)	(750.50)	(1,131.12)
Gain on dilution of investment in associate	323.00	-
Fair valuation gain on acquisition of controlling shares in Fairmed Healthcare AG (Refer note 39)	25.30	-
Business combination and restructuring expenses	(23.61)	(42.60)
Unwinding/ cancellation of gross obligations and contingent consideration	(86.40)	1,043.58
<b>Total</b>	<b>433.53</b>	<b>(776.80)</b>

#### Note

On March 31, 2020, US Food and Drug Administration (USFDA or the Agency) issued letters to all manufacturers of Ranitidine across dosage forms requesting withdrawal of all prescription (Rx) and over-the-counter (OTC) ranitidine drugs from the market immediately. This step was based on their ongoing investigation of the N-Nitrosodimethylamine (NDMA) impurity in ranitidine medications. As a result, effective April 1, 2020, the Group has ceased further distribution of the product and is currently in the process of withdrawing the product from the market.

Pursuant to the above, in the previous year, the Group had estimated the probable sales returns of Ranitidine from the customers and pharmacies. This withdrawal required the Group to record an additional sales return provision of ₹ 1,489.8 Million which was recorded within revenues with the corresponding impact on cost of products sold of ₹ 251.3 Million. Further, the Group also wrote down all its existing inventories related to the product and that along with the cost of the products sold corresponding to the expected returns and expected costs of withdrawal cumulatively aggregating to ₹ 1,131.12 Million has been classified as an exceptional item.

During the current year, the Group has continued to receive returns from its customers with the corresponding value being deducted on their payments to the Group. As of March 31, 2021, aggregate sales return and other expenses during the period exceeded its original estimates and accordingly, the Company has additionally recorded an amount of ₹ 750.50 Million towards sales return and other expenses related to its product withdrawal. Furthermore, the expenses recorded also includes legal fees incurred by the Group in respect of its ongoing litigations relating to Ranitidine. These amounts, in line with earlier periods, have been recorded as an expense within Exceptional items in the statement of profit and loss during the year.

### Note No.36 Tax expenses

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>Current tax</b>		
Current tax expense	290.13	280.13
Current tax relating to prior years reversed	(75.65)	(0.06)
	<b>214.48</b>	<b>280.07</b>
<b>Deferred tax benefit</b>		
Deferred tax expense / (benefit)	95.77	(319.47)
Minimum alternative tax credit utilised	6.26	152.63
	<b>102.03</b>	<b>(166.84)</b>
<b>Total</b>	<b>316.51</b>	<b>113.23</b>

## Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

### The reconciliation of estimated income tax expenses at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>Profit before income taxes</b>		
- from continuing operations	2,754.39	546.80
- from discontinued operations	139.41	(61.72)
	<b>2,893.80</b>	<b>485.08</b>
Indian statutory income tax rate	34.944%	34.944%
Expected income tax expense	1,011.21	169.51
<b>Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:</b>		
Income exempt from tax	(182.73)	(118.10)
Effect of expenses that are not deductible in determining taxable profit	128.57	271.78
Effect of concessions	(112.12)	(140.67)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	148.14	74.62
Effect of different tax rates of subsidiaries operating in other jurisdictions	(828.10)	(162.76)
Effect on recognition of past unrecognised deferred tax asset	(112.46)	(210.32)
Tax on share of equity accounted joint venture and associates	341.82	363.98
Others (net)	(77.82)	(68.92)
Tax pertaining to discontinued operations	-	(65.89)
<b>Total Income tax expense</b>	<b>316.51</b>	<b>113.23</b>

Refer note 12 for significant components of deferred tax assets and liabilities.

The Company is eligible for various tax incentives / exemptions with respect to taxability of income received in India including repatriation of any profits as dividends from subsidiaries and associates, which may result in possible tax litigations/assessments. Assessing the applicability of tax for such repatriations involve complexities with respect to various tax positions on availability of tax incentives / exemptions resulting in possible tax litigations/assessments. Judgement is required in assessing the availability of tax incentives / exemptions. These judgements could change over time as each of the matter progresses with the relevant tax authorities and accordingly may impact the accounting treatment followed by the Company. The Company based on its assessments believes that appropriate accruals have been recorded for all these matters, to the extent necessary.

## Notes

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### Note No.37 Other comprehensive income

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>A) Items that will not be reclassified to profit or loss</b>		
(i) Defined benefit obligations	(26.59)	(45.77)
Income tax on above	12.66	8.32
	<b>(13.93)</b>	<b>(37.45)</b>
(ii) FVOCI equity investments	131.05	(101.47)
Income tax on above	(26.74)	-
	<b>104.31</b>	<b>(101.47)</b>
<b>Total [A]</b>	<b>90.38</b>	<b>(138.92)</b>
<b>B) Items that may be reclassified to profit or loss</b>		
(i) Cash flow hedge	502.84	(557.34)
Income tax on above	(136.92)	179.82
	<b>365.92</b>	<b>(377.52)</b>
(ii) Foreign currency translations	(290.75)	887.14
Income tax on above	-	-
	<b>(290.75)</b>	<b>887.14</b>
<b>Total [B]</b>	<b>75.17</b>	<b>509.62</b>
<b>Total [A+B]</b>	<b>165.55</b>	<b>370.70</b>

### Note No.38 Details of research and development expenditure incurred (charged to statement of profit and loss)

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Cost of materials consumed	164.26	59.07
Salaries, wages and bonus	244.71	230.83
Biostudy expenses	128.00	82.51
Legal and professional fees	20.04	26.81
Consumption of stores and spares	154.84	114.98
Regulatory expenses	164.20	88.36
Travelling and conveyance	8.73	5.15
Depreciation and amortisation expenses	95.45	100.86
Others	174.32	331.08
<b>Total</b>	<b>1,154.55</b>	<b>1,039.65</b>

## Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

### Note No.39 Business combinations (including acquisitions of non controlling interest)

During year ended March 31, 2021:

Entity / Business Acquired	Principal Activity	Date of Acquisition	Note Reference
Fair-Med Healthcare AG	Trading in Pharmaceutical products	Apr 1, 2020	Refer Note A
Fairmed Healthcare GmbH	Trading in Pharmaceutical products	Apr 1, 2020	Refer Note A
Eris Pharma GmbH	Trading in Pharmaceutical products	Apr 1, 2020	Refer Note A

#### Note A:

Strides Pharma Global Pte Limited, Singapore, a wholly owned subsidiary of the Group, obtained controlling rights of the board of Fairmed Healthcare AG, Switzerland with effect from April 1, 2020, whereby making the entity and its wholly subsidiaries Fairmed Healthcare GMBH, Germany and ERIS Pharma GmbH Germany as subsidiaries of the group (together referred to as Fairmed).

The group owned non-controlling interest of Fairmed Healthcare AG, Switzerland till March 31, 2020. The Group therefore, in accordance with Ind AS 103 "Business Combinations" recorded a gain of ₹ 25.30 Million being the difference in the fair value of non-controlling interest and carrying value of the non-controlling interest in Fairmed, in accordance with the computation below.

The gain has been recorded under the head "Exceptional items" in the Statement of Profit and Loss.

Particulars	₹ In Million
	Amount
Fair value of Fairmed	176.37
Fair value of non-controlling interest held by the Group in Fairmed	123.46
Carrying value of non-controlling interest held by the Group in Fairmed on the date of acquisition	98.16
<b>Gain recorded under exceptional items on attaining controlling interest</b>	<b>25.30</b>

The resulting cost of acquisition of Fairmed for the Group is ₹ 123.46 Million.

#### Consideration transferred:

Since the Group has not transferred any consideration for change in controlling rights, the fairvalue on the date of change in control was treated as consideration.

#### Assets acquired and liabilities recognised at the date of obtaining controlling rights:

Particulars	₹ In Million
	Fairmed
Non-current assets (includes intangibles at fair value)	415.75
Current assets	750.47
Non-current liabilities	-
Current liabilities	(1,784.79)
<b>Net liabilities</b>	<b>(618.57)</b>

During year ended March 31, 2020:

Entity / Business Acquired	Principal Activity	Date of Acquisition	Note Reference
Strides Pharma Science Pty Ltd, Australia	Trading in Pharmaceutical products	Aug 8, 2019	Refer Note A
Strides Nordics Aps	Trading in Pharmaceutical products	Dec 4, 2019	Refer Note B
Generic Partners International Pte Ltd	Trading in Pharmaceutical products	July 15, 2019	Refer Note C
Generic Partners Canada, Inc	Trading in Pharmaceutical products	July 15, 2019	Refer Note C
Generic Partners (R&D) Pte Ltd	Trading in Pharmaceutical products	July 15, 2019	Refer Note D
Strides Arcolab (Australia) Pty Ltd	Trading in Pharmaceutical products	June 28, 2019	Refer Note E

## Notes

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### Note A:

Strides Pharma Global Pte Limited, Singapore, a wholly owned subsidiary of the Group, acquired 100% equity interest in Strides Pharma Science Pty Ltd, Australia thereby, making it a wholly owned subsidiary of the Group.

### Note B:

Strides Pharma Global Pte Limited, Singapore, a wholly owned subsidiary of the Group, acquired 100% equity interest in Strides Nordics Aps, thereby, making it a wholly owned subsidiary of the Group.

### Note C:

Strides Pharma Global Pte Limited, Singapore, a wholly owned subsidiary of the Group, acquired remaining 49% equity interest in Generic Partners International Pte Ltd, Singapore, thereby, making it a wholly owned subsidiary of the Group. Pursuant to the acquisition, Generic partners Canada, Inc, Canada, wholly owned subsidiary of Generic Partners International Pte Ltd had become a wholly owned subsidiary of the Group.

### Note D:

Strides Pharma Global Pte Limited, Singapore, a wholly owned subsidiary of the Group, acquired remaining 81% equity interest in Generic Partners R&D Pte Ltd, Singapore, thereby, making it a wholly owned subsidiary of the Group.

### Note E:

Strides Pharma Global Pte Limited, Singapore, a wholly owned subsidiary of the Group, acquired 1 partly paid class A shares in Strides Arcolab (Australia) Pty Lt, Australia, thereby, making it a wholly owned subsidiary of the Group.

#### Consideration transferred (acquisition of subsidiaries):

Particulars	₹ In Million		
	Generic Partners (R&D) Pte Ltd*	Strides Pharma Science Pty Ltd, Australia	Strides Nordics Aps
Cash	0.00	0.05	0.45
<b>Total</b>	<b>0.00</b>	<b>0.05</b>	<b>0.45</b>

#### Consideration transferred (acquisition of non-controlling interest):

Particulars	₹ In Million	
	Strides Arcolab (Australia) Pty Ltd	Generic Partners International Pte Ltd*
Cash	145.22	0.00
<b>Total</b>	<b>145.22</b>	<b>0.00</b>

\*Amounts are not presented, since the amounts are rounded off to Rupees Million.

#### Assets acquired and liabilities recognised at the date of acquisition:

Particulars	₹ In Million		
	Generic Partners (R&D) Pte Ltd*	Strides Pharma Science Pty Ltd, Australia	Strides Nordics Aps
Non-current assets (includes intangibles at fair value)	-	-	-
Current assets	0.21	0.05	0.45
Non-current liabilities	-	-	-
Current liabilities	(0.21)	-	-
<b>Net assets</b>	<b>-</b>	<b>0.05</b>	<b>0.45</b>

During the current year, the Group has finalised the purchase price allocation for these acquisitions. The changes did not have any material impact on the financial statements for the previous year.

## Notes

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### Non-controlling interests

The Group has recognised non-controlling interests in an acquired entity at the non controlling interest's proportionate share of the acquired entity's net identifiable assets. Further, the Group has issued written put options to the non-controlling interests of certain subsidiaries to purchase their equity shares in accordance with the terms of underlying agreement with such shareholders. Should the option be exercised, the Group has to settle such liability by payment of cash. The amount that may become payable under the option on exercise is recognised as a financial liability at its present value with a corresponding charge directly to the shareholders' equity. Details of initial recognition of such gross obligation, non-controlling interests and goodwill arising on such acquisitions have been given in the below table:

#### Calculation of Goodwill arising on acquisition:

##### Acquisitions during the year ended March 31, 2021:

Particulars	₹ In Million	
		Fairmed
Consideration transferred	-	-
Fair value of existing non-controlling interest held		123.46
Add: Non-controlling interests		(189.21)
Less: Fair value of identifiable net assets/ (net liabilities) acquired		(618.57)
<b>Goodwill arising on acquisition</b>		<b>552.82</b>

##### Acquisitions during the year ended March 31, 2020:

Particulars	₹ In Million		
	Generic Partners (R&D) Pte Ltd*	Strides Pharma Science Pty Ltd, Australia	Strides Nordics Aps
Consideration transferred	0.00	0.05	0.45
Less: Fair value of identifiable net assets/ (net liabilities) acquired	-	0.05	0.45
<b>Goodwill arising on acquisition</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Acquisition of non-controlling interest:

During the previous year, the Group has acquired the non-controlling interests in below subsidiaries, thereby, making them wholly owned subsidiaries of the Group.

- Generic Partners International Pte Ltd (including Generic Partners Canada Inc.)
- Strides Arcolab (Australia) Pty Ltd

Pursuant to the acquisition of non-controlling interest, the excess of consideration paid over the non-controlling interest balance and gross obligation under written put option carried as on the date of acquisition, has been debited or credited to the equity under the head 'Capital reserve' based on the below calculations:

Particulars	₹ In Million	
	Strides Arcolab (Australia) Pty Ltd	Generic Partners International Pte Ltd*
Consideration transferred	145.22	0.00
Less: Carrying value of non-controlling interest	0.01	(3.05)
<b>Amount debited/(credited) to Capital reserve</b>	<b>145.21</b>	<b>3.05</b>

#### Goodwill arising on acquisitions pertains to the below Cash generating units

Particulars	₹ In Million	
	Cash generating units	Amount
Fairmed	Other regulated markets	552.82

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Goodwill arose in the acquisition of the above said entities because the consideration paid for the combinations effectively included amounts in relation to the benefit of expected synergies, future market development and the assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

### Net cash outflow on acquisition of subsidiaries / Business / non-controlling interest

Particulars	Year ended	
	₹ In Million	
	March 31, 2021	March 31, 2020
Consideration paid in cash	-	145.72
<b>Net cash outflow on acquisition</b>	<b>-</b>	<b>145.72</b>

### Impact of acquisitions on the results of the Group:

#### Acquisitions during 2020-21:

Results from continuing operations for the year ended March 31, 2021 includes the following revenue and profit generated from the new acquisitions:

Particulars	₹ In Million	
	Fairmed	
Revenue	-	1,100.06
Profit / (loss) for the year	-	(260.62)

The above excludes impact of unwinding of discount on gross obligation towards written put options given to non controlling interests.

#### Acquisitions during 2019-20:

Results from continuing operations for the year ended March 31, 2020 includes the following revenue and profit generated from the new acquisitions:

Particulars	₹ In Million		
	Generic Partners (R&D) Pte Ltd	Strides Pharma Science Pty Ltd, Australia	Strides Nordics Aps
Revenue	-	-	55.30
Profit / (loss) for the year	(1.94)	(17.94)	11.37

If the acquisition had occurred on April 1, 2019, management estimates that the above acquisitions would not have any material impact on consolidated revenue and Profit/ (loss) for the Group as these entities were recently incorporated or did not have any material operations prior to the acquisition date.

In determining the 'pro-forma' revenue and profit of the Group had new entity / business been acquired at the beginning of the current year, the Group has:

- calculated depreciation of plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements;
- calculated borrowing costs on the funding levels, credit ratings and debt/equity position of the Group after the business combination; and
- excluded takeover defence costs of the acquiree as a one-off pre-acquisition transaction.

## Notes

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### Note No.40 Discontinued operations:

The combined results of the discontinued operations of the businesses disposed-off as explained in Notes 40.1 to 40.2, are set out below. The comparative profit and cash flows from discontinued operations have been presented as if these operations were discontinued in the prior year as well.

Particulars	Reference	Year ended	
		₹ In Million	
		March 31, 2021	March 31, 2020
Revenue		-	2,291.49
Other income		-	13.48
<b>Total revenue from discontinued operations (I)</b>		<b>-</b>	<b>2,304.97</b>
Depreciation and amortisation expense		-	140.89
Other expenses charged-off to the Statement of Profit and Loss		-	2,348.24
<b>Total expenses from discontinued operations (II)</b>		<b>-</b>	<b>2,489.13</b>
<b>Loss from discontinued operation (III = I - II)</b>		<b>-</b>	<b>(184.16)</b>
<b>Gain / (loss) on disposal of:</b>			
- Australia business	40.1	-	122.44
- investments in entities manufacturing specialty products		139.41	-
<b>Net gain / (loss) on disposal of businesses (IV)</b>		<b>139.41</b>	<b>122.44</b>
<b>Gain / (loss) from discontinued operations before tax (V = III + IV)</b>		<b>139.41</b>	<b>(61.72)</b>
Attributable income tax expense (VI)		-	65.89
<b>Net gain / (loss) from discontinued operations after tax (V - VI)</b>		<b>139.41</b>	<b>(127.61)</b>

### Cash flows from discontinued operations

Particulars	Year ended	
	₹ In Million	
	March 31, 2021	March 31, 2020
Net cash inflows/(outflows) from operating activities	-	203.96
Net cash inflows/(outflows) from investing activities*	97.69	12,376.31
Net cash inflows/(outflows) from financing activities	-	(12,837.68)
<b>Net cash inflows/(outflows)</b>	<b>97.69</b>	<b>(257.41)</b>

\* Including cash flow on disposal of assets and liabilities of the discontinued operations

### 40.1 Disposal of investment in other entities:

#### Sale of Australia business:-

During the year ended March 31, 2019, the Board of Directors had proposed to divest the Group's equity interest in the Australia business to Dennis Bastas- Executive Chairman of Arrow Pharmaceuticals Pty Limited, Australia (Arrow). Further, the group had obtained the approval from the Company's shareholders' in the EGM held on March 27, 2019.

During the previous year, the Group completed the divestment of its Australia business for a consideration of AUD 406 Million (including a deferred consideration of AUD 106 Million) reduced by the bank debt settlement of AUD 22.47 Million. Additionally, the Group has retained global access to IP's of over 140 products and has concurrently entered into a preferred supply agreement with Arrotex. The resulting gain from the disposal of ₹ 122.44 Million is accounted under the head "Gain on disposal of assets attributable to the discontinued operations (net)" and is presented as part of discontinued operations.

## Notes

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### (a) Consideration received

₹ In Million	
Particulars	Total
Consideration received in cash	13,375.89
Fair value of intangibles and product supply agreement	914.88
Deferred consideration	4,168.50
<b>Total consideration</b>	<b>18,459.27</b>

### (b) Carrying value of asset and liabilities as on the date of disposal

₹ In Million	
Particulars	Total
Non-current assets	21,102.46
Current assets	5,712.16
Non-current liabilities	(6,032.17)
Current liabilities	(2,584.77)
<b>Net assets disposed off</b>	<b>18,197.68</b>

### (c) Loss on disposal

₹ In Million	
Particulars	Total
Consideration received	18,459.27
Net assets disposed off	(18,197.68)
Expenses pertaining to disposal	(139.15)
<b>Gain on disposal</b>	<b>122.44</b>

### (d) Net cash inflow on disposal

₹ In Million	
Particulars	Total
Consideration received in cash	13,375.89
Less: Expenses pertaining to disposal	(139.15)
Less: Borrowing repaid	(12,336.60)
Less: Cash and cash equivalent balances disposed off	(729.58)
<b>Net Cash inflow</b>	<b>170.56</b>

#### 40.2 Sale of investments in entities manufacturing specialty products

The Company and its wholly owned subsidiary Strides Pharma Asia Pte Limited ("Strides Singapore") entered into definitive agreements on February 27, 2013 with Mylan Inc. for sale of the Specialty products business. The transactions under the respective agreements were by way of (i) sale of investment held in Agila Specialties Private Limited ("ASPL", an erstwhile wholly owned subsidiary of the Company), to Mylan Laboratories Limited ("MLL"), a Mylan group company and (ii) the sale of investment held in Agila Specialties Global Pte Limited ("Agila Global", an erstwhile wholly owned subsidiary of Strides Singapore) to Mylan Institutional Inc, another Mylan group company. MLL and Mylan Institutional Inc. together are referred to below as Mylan.

The sale of shares of ASPL was recorded by the Company in terms of the Sale and Purchase Agreement dated December 4, 2013 (the "India SPA"). The sale of shares of Agila Global was recorded by Strides Singapore in terms of another Sale and Purchase Agreement dated December 4, 2013 (the "Global SPA").

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The Company, as part of the sale, had provided a corporate guarantee to Mylan Inc. for USD 200 Million which expired on February 4, 2021 on behalf of Strides Singapore which can be used for discharging specified financial obligations, if any, of Strides Singapore to Mylan, which has been included in previous year under contingent liabilities as at March 31, 2020 in Note 42.

#### 40.2.1 Income recognised under discontinued operations:

In accordance with the terms of the India SPA and the Global SPA (together the "SPA"s) and other transaction documents, certain amounts were set aside under separate deposit / escrow accounts which were required to be utilised for specified expenses during the specified period. These included separate escrow / deposit of USD 100 Million in respect of potential claims in relation to certain regulatory concerns ("Regulatory escrow") and USD 100 Million in respect of potential claims in relation to the warranties and indemnities, including in relation to tax ("General claims escrow"). Further, ₹ 850 Million was set aside in separate Escrow for payment to certain specified senior management personnel of ASPL and its subsidiary.

Any unutilised amounts from the deposit / escrow accounts after the specified period were payable to the respective entities of the Group. Given the uncertainties involved and in the absence of a right to receive, the amounts under the deposit / escrow arrangements were not included in the consideration accounted as income by the Group at the time of disposal of the investments. Receipts from these deposit / escrow accounts were recognised subsequently (net of related expenses incurred) in the period in which such amounts were received by the Group.

During the earlier years, the Company had received notifications of claims from Mylan under the terms of the SPAs. These included claims against the regulatory escrows, tax claims, warranty and indemnity claims, and third party claims. Under the terms of the SPAs, claims against the Company / Strides Singapore can only be made under specific provisions contained in the SPAs which include the procedures and timelines for submission of notifications of claims and actual claims and commencing arbitration proceedings.

In previous years, a significant portion of these claims were settled out of the Regulatory Escrow deposit and the remaining balance of the Escrow account was recognised as income on full and final settlement of related claims. Further, the Company and Mylan also agreed on full and final settlement of warranty and indemnity claims to be adjusted against the 'General Claims Escrow'. The arbitration proceedings with respect to the third party claims was settled in favor of the Group and Mylan. The Group and Mylan have entered into an agreement whereby Mylan has released the pending balance in Escrow account.

During the current year, Mylan has received certain tax refund with respect to the period on or before the completion date, which has been remitted to the Group. The Group has recorded such receipt of ₹ 147.72 Million and corresponding expenses of ₹ 8.31 Million under discontinued operations.

There are certain tax claims which are pending under the terms of the SPAs for which the Group has recorded adequate provisions in the books.

The Group had considered hive-off of the Specialties business as discontinued operations. Accordingly, the income/(loss) referred above have been recognised under discontinued operations as under:

Particulars	₹ In Million	
	Year ended	
	March 31, 2021	March 31, 2020
Gain/(Loss) on settlement of contingencies attributable to the discontinued operations (net)	139.41	-
<b>Profit before tax from discontinued operations</b>	<b>139.41</b>	<b>-</b>

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### Cash flows from discontinued operations

Particulars	₹ In Million	
	Year ended	
	March 31, 2021	March 31, 2020
Net cash inflows/(outflows) from operating activities	-	-
Net cash inflows/(outflows) from investing activities	97.69	(130.85)
Net cash inflows/(outflows) from financing activities	-	-
<b>Net cash inflows/(outflows)</b>	<b>97.69</b>	<b>(130.85)</b>

### Note No.41 Commitments

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Estimated amount of contracts remaining to be executed on capital account (Tangible and Intangible assets) and not provided for (net of advances)	499.50	466.78

### Note No.42 Contingent liabilities (to the extent not provided for)

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>a) Claims against the Group not acknowledged as debt</b>		
- Disputed tax liabilities arising from assessment proceedings relating to earlier years from the income tax authorities. The outflow, if any, on account of disputed taxes is dependent on completion of assessments / disposal of appeals and adjustment for payments made under protest.	1,664.77	1,844.86
- Disputed excise, custom, service tax and sales tax liabilities arising from assessment proceedings relating to prior years. The outflow, if any, on account of disputed liabilities is dependent on completion of assessments / disposal of appeals and adjustment for payments made under protest.	563.50	581.61
<b>b) Corporate Guarantees (also refer note 40.2)</b>	<b>6,188.52</b>	<b>21,362.19</b>

(i) In light of the judgement of Honorable Supreme Court dated February 28, 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Group's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence it is unclear as to whether the clarified definition of Basic Wages would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods and hence has currently been considered to be a contingent liability.

(ii) Other than the matters disclosed above, the Group is also involved in other disputes including patent and commercial matters that arise from time to time in the ordinary course of business. Management is of the view that the resolution of these disputes will not have any material adverse effect on the Group's financial position or results of operations.

## Notes

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### Note No.43 Segment information

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker (CODM) in deciding how to allocate resources and assessing performance. The Group's CODM is the Managing Director.

During the year, the Group pursuant to its assessment that the business has now evolved from its incubation stage and to align to the decision to demerge certain parts of its business, implemented operational changes in how its CODM evaluates its businesses, including resource allocation and performance assessment. As a result of the aforesaid change, the Group now has two operating segments, representing the individual businesses that are managed separately. The Groups's new reportable segment are as follows; "Pharmaceutical" & "Bio-pharmaceutical". The Group has restated segment information for the historical periods presented herein to conform to the current presentation. This change in segments had no impact on the Group's historical consolidated statements of profit and loss, balance sheets or statements of cash flows.

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>A) Segment Revenue</b>		
a) Pharmaceutical business	33,158.70	27,519.71
b) Bio-pharmaceutical business	-	-
<b>Revenue from operations</b>	<b>33,158.70</b>	<b>27,519.71</b>
<b>B) Segment results</b>		
<b>(i) Profit/ (loss) before exceptional items and tax</b>		
a) Pharmaceutical business	3,299.05	2,395.89
b) Bio-pharmaceutical business	-	-
	<b>3,299.05</b>	<b>2,395.89</b>
<b>(ii) Exceptional items - net gain / (loss)</b>		
a) Pharmaceutical business	110.53	(776.80)
b) Bio-pharmaceutical business	323.00	-
	<b>433.53</b>	<b>(776.80)</b>
<b>(iii) Share of loss of joint ventures and associates</b>		
a) Pharmaceutical business	(399.42)	(403.97)
b) Bio-pharmaceutical business	(578.77)	(668.32)
	<b>(978.19)</b>	<b>(1,072.29)</b>
<b>(iv) Profit/ (loss) before tax</b>		
a) Pharmaceutical business	3,010.16	1,215.12
b) Bio-pharmaceutical business	(255.77)	(668.32)
<b>Profit/ (loss) before tax [i+ii+iii]</b>	<b>2,754.39</b>	<b>546.80</b>
Tax expense	316.51	113.23
<b>(v) Profit/(loss) after tax from continuing operations</b>	<b>2,437.88</b>	<b>433.57</b>

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>i) Segment Assets</b>		
a) Pharmaceutical business	65,175.14	58,733.28
b) Bio-pharmaceutical business	4,975.06	2,784.05
<b>Total Segment Assets</b>	<b>70,150.20</b>	<b>61,517.33</b>
<b>ii) Segment Liabilities</b>		
a) Pharmaceutical business	42,002.87	35,570.78
b) Bio-pharmaceutical business	7.31	-
<b>Total Segment Liabilities</b>	<b>42,010.18</b>	<b>35,570.78</b>

## Notes

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**Disclosures regarding geographical information:** The geographical information of the Group's revenues and assets are shown separately in the table below. Segment revenues has been disclosed based on geographical location of the customers. Segment assets has been disclosed based on the geographical location of the respective assets.

**Information regarding geographical revenue from operations is as follows (including discontinued operations) :**

Geography	Year ended	
	₹ In Million	
	March 31, 2021	March 31, 2020
Africa	5,210.41	2,987.94
Australia	2,452.86	3,957.54
Asia (excluding India)	623.14	222.83
North America	16,647.88	16,000.81
Europe	7,324.97	5,034.76
India	806.30	1,162.94
Others	93.14	211.14
<b>Total</b>	<b>33,158.70</b>	<b>29,577.96</b>

**Information regarding geographical non-current assets is as follows\*:**

Geography	Year ended	
	₹ In Million	
	March 31, 2021	March 31, 2020
Africa	2,485.17	2,658.22
Australia	38.32	37.37
Asia (excluding India)	7,723.35	7,868.17
North America	5,147.22	4,650.59
Europe	2,700.68	2,149.69
India	15,963.15	13,872.31
<b>Total</b>	<b>34,057.89</b>	<b>31,236.35</b>

\* Non current assets are excluding financial instruments and deferred tax assets.

### Note No.44

Intra-group loans amounting to USD Nil (previous year USD Nil) given by Strides Pharma Global Pte Limited, Singapore to its subsidiary Arrow Pharmaceuticals Pty Limited, Australia, are recognised as net investment in non-integral foreign operations in accordance with Ind AS 21 'The Effect of Changes in Foreign Exchange Rates', and exchange fluctuation loss of ₹ Nil for the year ended March 31, 2021 (2020: ₹ 51.44 Million) arising out of reinstatement of such loans has been accumulated in foreign currency translation reserve through other comprehensive income. The loan has been settled as part of sale of Australia business referred in note 40.

Intra-group loans amounting to AUD: Nil (previous year AUD Nil Million) given by Strides Pharma Global Pte Limited, Singapore to its erstwhile associate Generic Partner (R&D) Pte Limited, Singapore, are recognised as net investment in non-integral foreign operations in accordance with Ind AS 21 'The Effect of Changes in Foreign Exchange Rates', and exchange fluctuation loss of ₹ Nil for the year ended March 31, 2021 (2020 5.09 Million) arising out of reinstatement of such loans has been accumulated in foreign currency translation reserve through other comprehensive income. The loan has been cancelled subsequent to 100% acquisition of shares by the group.

## Notes

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Further, Intra-group loans amounting to USD 3.37 Million (previous year USD 3.37 Million) given by Strides Pharma (Cyprus) Limited, Cyprus to its subsidiary Strides Lifesciences Limited, Nigeria, are recognised as net investment in non-integral foreign operations in accordance with Ind AS 21 'The Effect of Changes in Foreign Exchange Rates', and exchange fluctuation loss of ₹ 2.24 Million (previous year: ₹ 13.48 Million) arising out of reinstatement of such loans has been accumulated in foreign currency translation reserve through other comprehensive income.

Further, Intra-group loans amounting to USD 0.20 Million (previous year USD 1.12 Million) given by Strides Pharma Global Pte Limited, Singapore to its subsidiary Strides Pharma (Cyprus) Limited, Cyprus, are recognised as net investment in non-integral foreign operations in accordance with Ind AS 21 'The Effect of Changes in Foreign Exchange Rates', and exchange fluctuation gain of ₹ 4.08 Million (previous year exchange fluctuation loss: ₹ 2.34 Million) arising out of reinstatement of such loans has been accumulated in foreign currency translation reserve through other comprehensive income.

### Note No.45 Share-based payments

**Details of the employee share option plan of the Company:**

- The ESOP titled "Strides Arcolab ESOP 2015" (ESOP 2015) was approved by the shareholders on November 6, 2015 for 70,000 options. Each option comprises one underlying equity share of the Company. The vesting period of these options range over a period of four years. The options must be exercised within a period of 180 days from the date of vesting. No options were granted under this plan during the current year. This Scheme ended on March 31, 2020.
- The ESOP titled "Strides ESOP 2016" (formerly known as Strides Shasun ESOP 2016) (ESOP 2016) was approved by the shareholders on April 21, 2016. 3,000,000 options are covered under the Plan which are convertible into equal number of equity shares of the Company. The vesting period of these options range over a period of three years. The options must be exercised within a period of one year from the date of vesting. Company has granted 25,000 options (Previous year: 100,000) under this scheme during the current year.
- During the current year, Employee compensation costs of ₹ 15.22 Million (for the year ended March 31, 2020: ₹ 17.53 Million) relating to the above referred various Employee Stock Option Plans have been recognised in the Statement of Profit and Loss.

### Fair value of share options granted during the year

The fair value of the share options granted during the year under ESOP 2016 Lot IX, is ₹ 179.19. Options were priced using a Black- Scholes method of valuation at grant date. Expected volatility is based on the historical share price volatility over the past 3 years.

### Inputs into the model

Particulars	₹ In Million
	ESOP 2016
No. of options	25,000
Grant date share price	₹ 414.40
Exercise price	₹ 311.00
Expected volatility	36.52%
Option life	3 years
Expected Dividend %	20.00%
Risk-free interest rate	6.041%

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### Employee stock options details as on the balance sheet date are as follows:

Particulars	During the year 2020-21		During the year 2019-20	
	Options (No's)	Weighted average exercise price per option (₹)	Options (No's)	Weighted average exercise price per option (₹)
<b>Option outstanding at the beginning of the year:</b>				
- ESOP 2015	-	-	563	231.79
- ESOP 2016	421,200	346.86	457,500	394.15
<b>Granted during the year:</b>				
- ESOP 2015	-	-	-	-
- ESOP 2016	25,000	311.00	100,000	265.56
<b>Exercised during the year:</b>				
- ESOP 2015	-	-	(188)	231.79
- ESOP 2016	(115,500)	302.97	(15,800)	301.00
<b>Lapsed/ cancelled during the year:</b>				
- ESOP 2015	-	-	(375)	231.79
- ESOP 2016	(84,800)	426.17	(120,500)	464.98
<b>Options outstanding at the end of the year:*</b>				
- ESOP 2015	-	-	-	-
- ESOP 2016	245,900	348.79	421,200	346.86
<b>Options available for grant:</b>				
- ESOP 2015	-	-	-	-
- ESOP 2016	2,602,800	-	2,543,000	-

\* Includes options vested but not exercised as at March 31, 2021 ESOP 2016: 57,150 (March 31, 2020: 50,000)

### b. Details of the cash settled share based payment plan of the Company:

On May 20, 2020, the Board approved "Strides Long Term Incentive Plan 2020" titled the LTIP 2020 ("the Plan"). The Plan shall be in the form of Phantom Units. Each Phantom Unit, upon exercise, entitles the awardee a cash benefit equal to the Share Price on the date of exercise minus exercise price to be paid to the Company. The vesting period of these units is one year. The units must be exercised within a period of twelve months from the date of vesting. The Company has granted 72,966 options (Previous year: nil) under this scheme during the current year.

During the current year, Employee compensation costs of ₹ 52.80 Million (for the year ended March 31, 2020: nil) relating to the above plan have been charged to the Statement of Profit and Loss.

#### Fair value of phantom units granted during the year

The fair value of these units as on May 20, 2020 (grant date) is ₹ 412.88. These units were priced using a Black-Scholes method of valuation.

#### Inputs into the model -

Particulars	LTIP 2020
No of Options	72,966
Valuation date share price	₹ 421.15
Exercise price	₹ 10
Expected volatility	35.36%
Option life	2 years
Risk-free interest rate	6.041%

The fair value of these units as on March 31, 2021 is ₹ 838.48

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### Note No.46 Employee Benefits Plans

Employee benefits pertaining to overseas subsidiaries have been accrued based on their respective local labour laws.

#### Defined contribution plan

The Group makes contributions to provident fund and employee state insurance schemes which are defined contribution plans, for qualifying employees. Under the schemes, the group is required to contribute a specified percentage of the payroll cost to fund the benefits. The group recognised ₹ 161.32 Million (previous year: ₹ 145.49 Million) (including costs debited to discontinued operations) for provident fund contributions, ₹ 2.88 Million (previous year: ₹ 3.73 Million) (including costs debited to discontinued operations) for employee state insurance scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. The Group has no obligations beyond its contributions.

#### Defined benefit plan

The Company and its Indian subsidiaries offers gratuity benefits, a defined employee benefit scheme to its employees.

#### Composition of the plan assets

The fund is managed by LIC, the fund manager. The details of composition of plan assets managed by the fund manager is not available with the Company. However, the said funds are subject to Market risk (such as interest risk, investment risk, etc.).

The said benefit plan is exposed to actuarial risks such as longevity risk and salary risk.

**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.

### The principal assumptions used for the purposes of the actuarial valuations were as follows:

Geography	Valuation as at	
	March 31, 2021	March 31, 2020
Discount rate(s)	6.06% - 6.58%	6.40% - 6.55%
Expected rate(s) of salary increase	10%	10%
Mortality Rate	As per IALM (2012-14) ultimate	As per IALM (2012-14) ultimate
Retirement age (years)	58 years	58 years



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### Amounts recognised in respect of these defined benefit plans are as follows:

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>Service cost:</b>		
Current service cost	55.71	41.72
Net interest expense	17.24	12.44
<b>Components of defined benefit costs recognised in statement of profit and loss</b>	<b>72.95</b>	<b>54.16</b>
<b>Remeasurement on the net defined benefit liability:</b>		
Remeasurement return on plan assets [excluding amounts included in net interest expense] (excess) / Short return	4.25	(8.99)
Actuarial (gains) / losses arising from changes in demographic assumptions	12.92	8.64
Actuarial (gains) / losses arising from changes in financial assumptions	(4.73)	15.68
Actuarial (gains) / losses arising from experience adjustments	14.15	30.44
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>26.59</b>	<b>45.77</b>
<b>Total</b>	<b>99.54</b>	<b>99.93</b>

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the consolidated statement of profit and loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

### The amount included in the consolidated balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Present value of funded defined benefit obligation	519.11	436.28
Fair value of plan assets	(134.26)	(141.55)
<b>Funded status</b>	<b>384.85</b>	<b>294.73</b>
Disclosed in liabilities directly attributable to the assets held for sale	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>384.85</b>	<b>294.73</b>

### Movements in the present value of the defined benefit obligation are as follows:

Particulars	₹ In Million	
	Year ended	
	March 31, 2021	March 31, 2020
Opening defined benefit obligation	436.28	344.83
Add/(less) on account of acquisitions / business transfers	-	-
<b>Expenses recognised in statement of profit and loss</b>		
Current service cost	55.71	41.72
Interest cost	26.64	22.47
<b>Remeasurement (gains)/losses:</b>		
Actuarial gains and losses arising from changes in demographic assumptions	12.92	8.64
Actuarial gains and losses arising from changes in financial assumptions	(4.73)	15.68
Actuarial gains and losses arising from experience adjustments	14.15	30.44
Benefits paid	(21.86)	(27.50)
<b>Closing defined benefit obligation</b>	<b>519.11</b>	<b>436.28</b>

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### Movements in the fair value of the plan assets are as follows:

Particulars	₹ In Million	
	Year ended	
	March 31, 2021	March 31, 2020
Opening fair value of plan assets	141.55	142.16
<b>Remeasurement gain / (loss):</b>		
Remeasurement return on plan assets (excluding amounts included in net interest expense)	9.40	4.92
Contributions from the employer	2.50	10.20
Actuarial gain / (loss) on plan assets	(4.25)	8.99
Benefits paid	(14.94)	(24.72)
<b>Closing fair value of plan assets</b>	<b>134.26</b>	<b>141.55</b>

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases / (decrease) by 1%, the defined benefit obligation would be ₹ 491.61 Million (₹ 561.27 Million) as at March 31, 2021

If the expected salary growth increases / (decrease) by 1%, the defined benefit obligation would be ₹ 551.70 Million (₹ 498.22 Million) as at March 31, 2021

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

There has been no change in the process used by the Group to manage its risks from prior periods.

### Expected future Cash outflows towards the plan are as follows:

Financial Year	₹ In Million
	Amount
2021-22	58.54
2022-23	56.18
2023-24	51.65
2024-25	52.90
2025-26	57.21
2026-27 to 2030-31	246.30

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### Note No.47 Lease arrangements

#### The Group as lessor:

##### Leasing arrangement

The Group has entered into operating lease arrangement for lease of factory land & building for a term ranging from 4 to 18 years with non-cancellable lease period of 4 to 8 years. Details relating to these assets and minimum lease rentals receivable are as follows:

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Gross carrying amount of assets leased	960.23	960.23
Accumulated depreciation	281.88	236.67
Future minimum lease income:		
Not later than 1 year	27.98	82.73
Later than 1 year but not later than 5 years	16.04	44.02
Later than 5 years	-	-
<b>Total</b>	<b>44.02</b>	<b>126.76</b>

### Note No.48 Earnings per share

Particulars	₹	
	Year ended	
	March 31, 2021	March 31, 2020
<b>Basic earnings per share:</b>		
From continuing operations	28.40	5.68
From discontinued operations	1.56	(1.62)
<b>Total basic earnings per share</b>	<b>29.96</b>	<b>4.06</b>
<b>Diluted earnings per share:</b>		
From continuing operations	28.37	5.68
From discontinued operations	1.55	(1.62)
<b>Total diluted earnings per share</b>	<b>29.92</b>	<b>4.06</b>

### Earnings used in computing basic and diluted earnings per share

Particulars	₹ In Million	
	Year ended	
	March 31, 2021	March 31, 2020
<b>Profit/(loss) attributable to the equity holders of the Company</b>		
From continuing operations	2,545.01	508.87
From discontinued operations	139.41	(144.96)
<b>Total operations</b>	<b>2,684.42</b>	<b>363.91</b>

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### Weighted average number of shares used as the denominator

Particulars	Year ended	
	March 31, 2021	March 31, 2020
<b>Weighted average number of equity shares used as denominator in calculating basic earnings per share</b>	89,609,605	89,553,029
Adjustments for calculation of diluted earnings per share:		
- employee stock options	99,798	29,126
<b>Weighted average number of equity shares used as denominator in calculating diluted earnings per share</b>	<b>89,709,403</b>	<b>89,582,155</b>

### Note No.49 Related Party Transactions : List of Related Parties

Associates	
	Aponia Laboratories Inc, USA
	Eris Pharma GmbH, Germany (with effect from September 9, 2019 upto March 31, 2020)
	Fairmed Healthcare AG, Switzerland (with effect from September 9, 2019 upto March 31, 2020)
	Fairmed Healthcare GmbH, Germany (with effect from September 9, 2019 upto March 31, 2020)
	Generic Partners (R&D) Pte Limited, Singapore (upto July 15, 2019)
	Juno OTC Inc, Canada (with effect from May 31, 2019)
	Regional Bio Equivalence Centre S.C., Ethiopia
	Stelis Biopharma Private Limited, India
	Stelis Biopharma LLC, USA
	Stelis Pte. Ltd, Singapore
	Strides Consumer Private Limited, India
	Strides Consumer LLC, USA
	Strides Global Consumer Healthcare Limited, UK
Enterprises owned or significantly influenced by key management personnel and relative of key management personnel	Agnus Capital LLP, India
	Alivira Animal Health Limited, India
	Atma Projects, India
	Aurore Life Sciences Private Limited, India
	Aurore Pharmaceuticals Private Limited, India
	Biolexis Pte Ltd, Singapore
	Chayadeep Properties Private Limited, India
	Devendra Estates LLP, India
	Dairy Power Limited, India
	Lifecell International Private Limited
	Naari Pharma Private Limited, India
	Naari Pte Limited., Singapore
	SeQuent Scientific Limited, India (upto September 8, 2020)
	SeQuent Research Limited, India (upto September 8, 2020)
	Shasun USA Inc, USA
	Six Rays Pharma Solutions LLP, India
	Six Rays Pte. Limited, Singapore
	Solara Active Pharma Sciences Limited, India
	Steriscience Specialities Private Limited, India
	Steribrooks Penems Private Limited
	Steriscience BV, Netherland
	Steriscience Pte Limited, Singapore
	Tenshi Kaizen Private Limited, India
	Tenshi Kaizen Pte Limited, Singapore

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	Tenshi Life Sciences Private Limited, India
	Tenshi Life Sciences Pte Limited
	Velbiom Probiotics Private Limited, India (formerly Tenshi Life Care Private Limited, India)
	Tenshi Kaizen USA Inc, USA
	Tenshi Pharmaceuticals Private Limited (formerly known as Sovizen Life Sciences Private Limited, India and Steriscience Private Limited, India)
	Triphase Pharmaceuticals Private Limited, India
	White Crow Research Private Limited, India
Joint Ventures (JV)	MyPak Solutions Australia Pty Ltd, Australia (50%) (upto July 10, 2019)
	Sihuan Strides (HK) Limited, Hongkong (49%) (with effect from Oct 22, 2019)
	Oraderm Pharmaceuticals Pty Limited, Australia (50%) (upto July 10, 2019)
Key Management Personnel:	Mr. Arun Kumar, Chairman and Non-Executive Director.(with effect from April 1,2020), (Managing Director & Group CEO - upto Jan 8, 2020), (Executive Director -with effect from Jan 9, 2020 till March 31, 2020)
	Dr. R Ananthanarayanan, Managing Director & CEO- (with effect from Jan 9 ,2020)
	Mr. Badree Komandur, Executive Director- Finance & Group CFO
	Mr. Deepak Vaidya, Non-Executive Director (Chairman up to March 31, 2020)
	Mr. Bharat D Shah, Independent Director
	Mr. S.Sridhar, Independent Director
	Mrs. Sangita Reddy, Independent Director (upto July 30, 2019)
	Dr. Kausalya Santhanam, Independent Director (with effect from Dec 11, 2019)
	Mr. Homi Rustam Khusrokhani, Independent Director
	Ms. Manjula Ramamurthy, Company Secretary

### Related party closing balances

Particulars	₹ In Million					
	Joint ventures and Associates		Directors / KMP / Relatives of KMP		Enterprises owned or significantly influenced by Directors or KMP or their relatives	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Other Financial Assets (Liabilities) and Other Assets (Liabilities):</b>						
1 Naari Pharma Private Limited	-	-	-	-	3.47	3.57
2 Shasun USA Inc	-	-	-	-	42.62	48.84
3 Sihuan Strides (HK) Limited	(110.40)	(184.59)	-	-	-	-
4 Solara Active Pharma Sciences Limited	-	-	-	-	23.15	40.12
5 Stelis Biopharma Private Limited	(7.31)	27.48	-	-	-	-
6 Stelis Biopharma LLC	4.42	-	-	-	-	-
7 Strides Consumer Private Limited	12.32	2.76	-	-	-	-
8 Strides Consumer LLC	25.42	14.77	-	-	-	-
9 Strides Global Consumer Healthcare Limited	1.21	(69.63)	-	-	-	-
10 Tenshi Life Sciences Private Limited	-	-	-	-	3.25	3.25
11 Velbiom Probiotics Private Limited	-	-	-	-	5.86	5.86
12 Tenshi Kaizen Private Limited	-	-	-	-	0.38	-
13 Tenshi Kaizen USA Inc	-	-	-	-	6.24	6.31
14 Mr. Arun Kumar	-	-	(1.00)	(10.00)	-	-
15 Dr. R Ananthanarayanan	-	-	(18.00)	(8.50)	-	-
16 Mr. Deepak Vaidya	-	-	(1.19)	(1.00)	-	-
17 Mr. S.Sridhar	-	-	(1.19)	(1.00)	-	-
18 Mr. Homi Rustam Khusrokhani	-	-	(1.19)	(1.00)	-	-

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Particulars	₹ In Million					
	Joint ventures and Associates		Directors / KMP / Relatives of KMP		Enterprises owned or significantly influenced by Directors or KMP or their relatives	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
19 Mr. Bharat D Shah	-	-	(1.19)	(1.00)	-	-
20 Mr. Badree Komandur	-	-	(3.75)	(6.25)	-	-
21 Dr. Kausalya Santhanam	-	-	(1.52)	(0.56)	-	-
<b>Loans receivable as at:</b>						
1 Fairmed Healthcare AG	-	121.18	-	-	-	-
2 Juno OTC Inc.	73.84	88.33	-	-	-	-
3 Strides Consumer Private Limited	30.00	30.00	-	-	-	-
<b>Balance of deposits paid:</b>						
1 Atma Projects	-	-	-	-	69.96	69.96
2 Chayadeep Properties Private Limited	-	-	-	-	33.23	33.23
<b>Balance of deposits received:</b>						
1 Solara Active Pharma Sciences Limited	-	-	-	-	7.20	7.20
<b>Balance of (trade payables) net of advance paid as at:</b>						
1 Atma Projects	-	-	-	-	(8.19)	(8.93)
2 Aurore Life Sciences Private Limited	-	-	-	-	(161.70)	15.68
3 Aurore Pharmaceuticals Private Limited	-	-	-	-	(23.75)	(0.07)
4 Chayadeep Properties Private Limited	-	-	-	-	(3.86)	(7.56)
5 Devendra Estates LLP	-	-	-	-	(0.28)	(0.25)
6 Juno OTC Inc.	(3.34)	(1.02)	-	-	-	-
7 SeQuent Scientific Limited	-	-	-	-	-	(1.45)
8 SeQuent Research Limited	-	-	-	-	-	(1.12)
9 Solara Active Pharma Sciences Limited	-	-	-	-	(1,693.24)	(1,532.39)
10 Stelis Biopharma Private Limited	-	0.23	-	-	-	-
11 Strides Consumer Private Limited	(1.25)	-	-	-	-	-
12 Strides Global Consumer Healthcare Limited	(1.38)	0.76	-	-	-	-
13 Tenshi Kaizen Private Limited	-	-	-	-	(0.14)	(1.28)
14 Tenshi Kaizen USA Inc	-	-	-	-	-	(0.20)
15 White Crow Research Private Limited	-	-	-	-	-	(2.48)
<b>Balance of trade receivables (net of advance received) as at:</b>						
1 Agnus Capital LLP	-	-	-	-	-	1.73
2 Alivira Animal Health Limited	-	-	-	-	1.18	1.18
3 Aurore Life Sciences Private Limited	-	-	-	-	0.11	0.65
4 Biolexis Pte Ltd	-	-	-	-	0.33	-
5 Dairy Power Limited	-	-	-	-	2.14	-
6 Fairmed Healthcare AG	-	105.69	-	-	-	-
7 Juno OTC Inc.	2.03	17.46	-	-	-	-
8 MyPak Solutions Australia Pty Ltd, Australia	-	-	-	-	-	-
9 Naari Pharma Private Limited	-	-	-	-	32.33	25.97
10 Shasun USA Inc	-	-	-	-	-	0.23
11 Sihuan Strides (HK) Limited	35.69	90.41	-	-	-	-
12 Six Rays Pharma Solutions LLP	-	-	-	-	0.80	-
13 Six Rays Pte. Limited	-	-	-	-	2.77	-
14 Solara Active Pharma Sciences Limited	-	-	-	-	18.51	9.72
15 Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	3.24
16 Stelis Biopharma Private Limited	0.02	152.34	-	-	-	-

## Notes

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₹ In Million

Particulars	Joint ventures and Associates		Directors / KMP / Relatives of KMP		Enterprises owned or significantly influenced by Directors or KMP or their relatives	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
17 Stelis Pte Ltd	0.33	-	-	-	-	-
18 Steribrooks Penems Private Limited	-	-	-	-	0.08	-
19 Steriscience BV	-	-	-	-	0.33	-
20 Steriscience Pte Limited	-	-	-	-	8.38	-
21 Steriscience Specialties Private Limited	-	-	-	-	1.34	-
22 Strides Consumer Private Limited	12.97	6.80	-	-	-	-
23 Strides Global Consumer Healthcare Limited	1.85	1.49	-	-	-	-
24 Strides Consumer LLC	23.37	29.32	-	-	-	-
25 Tenshi Kaizen Private Limited	-	-	-	-	0.99	13.50
26 Tenshi Kaizen Pte Limited	-	-	-	-	0.33	-
27 Tenshi Kaizen USA Inc	-	-	-	-	1.21	3.00
28 Tenshi Life Sciences Pte Limited	-	-	-	-	0.33	-
29 Tenshi Life Sciences Private Limited	-	-	-	-	12.32	11.65
30 Tenshi Pharmaceuticals Private Limited	-	-	-	-	0.18	-
31 Triphase Pharmaceuticals Private Limited	-	-	-	-	0.04	-
32 Velbiom Proboitics Private Limited	-	-	-	-	0.58	0.75

### Related party transactions

₹ In Million

Nature of Transactions	Joint ventures and Associates		Directors / KMP / Relatives of KMP		Enterprises owned or significantly influenced by Directors or KMP or their relatives	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
<b>Sales of materials/services (net of returns)</b>						
1 Fairmed Healthcare AG	-	102.79	-	-	-	-
2 Juno OTC Inc.	0.32	17.46	-	-	-	-
3 MyPak Solutions Australia Pty Limited	-	(0.14)	-	-	-	-
4 Oraderm Pharmaceuticals Pty Limited	-	-	-	-	-	-
5 Sihuan Strides (HK) Limited	35.81	85.27	-	-	-	-
6 Six Rays Pte. Limited	-	-	-	-	352.23	-
7 Solara Active Pharma Sciences Limited	-	-	-	-	-	24.23
8 Steriscience Specialties Private Limited	-	-	-	-	0.02	-
9 Strides Consumer LLC	92.64	26.47	-	-	-	-
10 Strides Consumer Private Limited	10.46	7.11	-	-	-	-
11 Strides Global Consumer Healthcare Limited	0.69	-	-	-	-	-
12 Tenshi Kaizen Private Limited	-	-	-	-	0.01	0.14
13 Tenshi Kaizen USA Inc	-	-	-	-	-	0.78
14 Tenshi Pharmaceuticals Private Limited	-	-	-	-	0.03	-
<b>Sale of Property, plant and equipment</b>						
1 Naari Pharma Private Limited	-	-	-	-	-	0.01
2 Stelis Biopharma Private Limited	2.93	-	-	-	-	-

## Notes

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₹ In Million

Nature of Transactions	Joint ventures and Associates		Directors / KMP / Relatives of KMP		Enterprises owned or significantly influenced by Directors or KMP or their relatives	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
<b>Purchase of Property, plant and equipment</b>						
1 Naari Pte Limited	-	-	-	-	-	0.67
<b>Guarantee Commission received</b>						
1 Stelis Biopharma Private Limited	41.31	39.77	-	-	-	-
<b>Rental income</b>						
1 Solara Active Pharma Sciences Limited	-	-	-	-	15.24	14.46
2 Strides Consumer Private Limited	0.96	0.76	-	-	-	-
<b>Interest income</b>						
1 Generic Partners (R&D) Pte Limited	-	12.28	-	-	-	-
2 Fairmed Healthcare AG	-	0.25	-	-	-	-
3 Juno OTC Inc.	4.96	0.22	-	-	-	-
4 Stelis Biopharma Private Limited	-	7.26	-	-	-	-
5 Strides Consumer Private Limited	3.00	3.01	-	-	-	-
<b>Support service income</b>						
1 Agnus Capital LLP	-	-	-	-	1.60	1.60
2 Alivira Animal Health Limited	-	-	-	-	16.75	-
3 Aurore Life Sciences Private Limited	-	-	-	-	0.52	0.60
4 Biolexis Pte Ltd	-	-	-	-	0.33	-
5 Dairy Power Limited	-	-	-	-	1.82	-
6 Naari Pharma Private Limited	-	-	-	-	23.14	24.13
7 Naari Pharma Pte	-	-	-	-	0.39	-
8 Shasun USA Inc	-	-	-	-	17.37	21.80
9 Six Rays Pharma Solutions LLP	-	-	-	-	1.50	-
10 Six Rays Pte. Limited	-	-	-	-	0.33	-
11 Solara Active Pharma Sciences Limited	-	-	-	-	93.48	85.15
12 Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	3.00
13 Stelis Biopharma Private Limited	23.37	27.14	-	-	-	-
14 Stelis Pte Ltd	0.33	-	-	-	-	-
15 Steribrooks Penems Private Limited	-	-	-	-	0.77	-
16 Steriscience Bv	-	-	-	-	0.33	-
17 Steriscience Pte Limited	-	-	-	-	8.33	-
18 Steriscience Specialties Private Ltd	-	-	-	-	3.42	-
19 Strides Consumer LLC	8.53	7.83	-	-	-	-
20 Strides Consumer Private Limited	3.80	3.68	-	-	-	-
21 Strides Global Consumer Healthcare Limited	4.83	4.30	-	-	-	-
22 Tenshi Kaizen Private Limited	-	-	-	-	14.74	16.66
23 Tenshi Kaizen Pharma Pte Limited	-	-	-	-	0.33	-
24 Tenshi Kaizen USA Inc	-	-	-	-	1.88	6.00
25 Tenshi Life Science Pte Limited	-	-	-	-	0.33	-
26 Tenshi Life Sciences Private Limited	-	-	-	-	39.82	30.19
27 Tenshi Pharmaceuticals Private Limited	-	-	-	-	2.70	-
28 Triphase Pharmaceuticals Private Limited	-	-	-	-	0.48	-
29 Velbiom Proboitics Private Limited	-	-	-	-	1.20	1.21
<b>Support service expense</b>						
1 Strides Consumer Private Limited	1.08	-	-	-	-	-

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

₹ In Million

Nature of Transactions	Joint ventures and Associates		Directors / KMP / Relatives of KMP		Enterprises owned or significantly influenced by Directors or KMP or their relatives	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
<b>Purchase of materials/services</b>						
1 Aurore Life Sciences Private Limited	-	-	-	-	295.79	0.48
2 Aurore Pharmaceuticals Private Limited	-	-	-	-	28.74	0.05
3 MyPak Solutions Australia Pty Limited	-	67.39	-	-	-	-
4 SeQuent Research Limited	-	-	-	-	0.08	3.11
5 Solara Active Pharma Sciences Limited	-	-	-	-	2,556.92	2,962.09
6 Strides Global Consumer Healthcare Limited	4.59	9.15	-	-	-	-
7 Tenshi Kaizen Private Limited	-	-	-	-	0.12	0.38
8 Lifecell International Private Limited	-	-	-	-	0.74	-
9 White Crow Research Private Limited	-	-	-	-	1.09	5.42
<b>License fees</b>						
1 Stelis Biopharma Private Limited	7.31	-	-	-	-	-
<b>Short Term Employee Benefits paid to (Refer note (i) below)</b>						
1 Mr. Arun Kumar	-	-	6.27	72.08	-	-
2 Dr. R Ananthanarayanan	-	-	177.32	32.97	-	-
3 Mr. Badree Komandur	-	-	41.26	37.20	-	-
4 Ms. Manjula Ramamurthy	-	-	4.72	3.99	-	-
<b>Employee stock option expenses</b>						
1 Mr. Badree Komandur	-	-	0.93	1.65	-	-
2 Ms. Manjula Ramamurthy	-	-	0.19	0.33	-	-
<b>Sitting Fees paid to</b>						
1 Mr. Arun Kumar	-	-	0.50	-	-	-
1 Dr. Kausalya Santhanam	-	-	3.26	0.61	-	-
2 Mr. Deepak Vaidya	-	-	1.70	1.20	-	-
3 Mr. S.Sridhar	-	-	1.70	1.20	-	-
4 Mr. Homi Rustam Khusrokhan	-	-	1.70	1.00	-	-
5 Mrs. Sangita Reddy	-	-	-	0.30	-	-
6 Mr. Bharat D Shah	-	-	1.70	1.84	-	-
<b>Remuneration to Non-executive directors</b>						
1 Mr. Arun Kumar	-	-	1.00	-	-	-
2 Mr. Deepak Vaidya	-	-	1.00	1.00	-	-
3 Dr. Kausalya Santhanam	-	-	1.00	0.33	-	-
4 Mr. S.Sridhar	-	-	1.00	1.00	-	-
5 Mr. Homi Rustam Khusrokhan	-	-	1.00	1.00	-	-
6 Mr. Bharat D Shah	-	-	1.00	1.00	-	-
<b>Lease Payments</b>						
1 Atma Projects	-	-	-	-	85.21	68.45
2 Chayadeep Properties Private Limited	-	-	-	-	40.65	29.00
3 Devendra Estate LLP	-	-	-	-	3.32	3.33
<b>Loans / advances given / repaid by the group</b>						
1 Aurore Life Sciences Private Limited	-	-	-	-	-	15.75
2 Fairmed Healthcare AG	-	120.93	-	-	-	-
3 Naari Pharma Private Limited	-	-	-	-	-	3.37
4 Juno OTC Inc.	-	89.77	-	-	-	-

# Notes

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₹ In Million

Nature of Transactions	Joint ventures and Associates		Directors / KMP / Relatives of KMP		Enterprises owned or significantly influenced by Directors or KMP or their relatives	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
<b>Loans/advances taken by Company/repaid to the group</b>						
1 Stelis Biopharma Private Limited	-	250.00	-	-	-	-
<b>Reimbursement of expenses incurred on behalf of</b>						
1 Juno OTC Inc.	0.04	-	-	-	-	-
2 Naari Pharma Private Limited	-	-	-	-	0.11	2.94
3 Solara Active Pharma Sciences Limited	-	-	-	-	23.82	16.35
4 Stelis Biopharma LLC	5.28	-	-	-	-	-
5 Stelis Biopharma Private Limited	2.73	15.73	-	-	-	-
6 Stelis Pte Ltd	-	0.71	-	-	-	-
7 Steriscience Specialties Private Limited	-	-	-	-	0.79	-
8 Strides Consumer Private Limited	20.61	6.24	-	-	-	-
9 Strides Consumer LLC	4.41	9.98	-	-	-	-
10 Strides Global Consumer Healthcare Limited	5.68	-	-	-	-	-
11 Tenshi Life Sciences Private Limited	-	-	-	-	13.41	5.23
12 Tenshi Kaizen Private Limited	-	-	-	-	0.00	2.94
13 Tenshi Kaizen USA Inc	-	-	-	-	2.52	-
<b>Reimbursement of expenses incurred by</b>						
1 Aurore Life Sciences Private Limited	-	-	-	-	0.09	-
2 Chayadeep Properties Private Limited	-	-	-	-	-	2.81
3 Juno OTC Inc.	0.39	1.02	-	-	-	-
4 MyPak Solutions Australia Pty Limited	-	0.29	-	-	-	-
5 Sequent Scientific Limited	-	-	-	-	-	1.38
6 Solara Active Pharma Sciences Limited	-	-	-	-	167.62	148.62
7 Strides Consumer Private Limited	0.05	0.01	-	-	-	-
8 Velbiom Probiotics Private Limited	-	-	-	-	-	0.15
<b>Lease deposit received</b>						
1 Solara Active Pharma Sciences Limited	-	-	-	-	-	-
<b>Lease deposit Paid</b>						
1 Atma projects	-	-	-	-	-	19.83
2 Chayadeep Properties Private Limited	-	-	-	-	-	15.56
<b>Investments during the year</b>						
1 Fairmed Healthcare AG	-	171.03	-	-	-	-
2 Sihuan Strides (HK) limited	-	184.59	-	-	-	-
3 Strides Global Consumer Healthcare Limited	165.03	-	-	-	-	-
4 Stelis Biopharma Private Limited	2,369.95	905.04	-	-	-	-
<b>Sale of Business Division</b>						
1 Solara Active Pharma Sciences Limited	-	-	-	-	-	-
<b>Investments sold to</b>						
1 Strides Global Consumer Healthcare Limited	162.80	-	-	-	-	-
<b>Share Application Money paid</b>						
1 Stelis Biopharma Private Limited	-	25.00	-	-	-	-

## Notes

- The compensation excludes gratuity & compensated absences which cannot be separately identified from the composite amount advised by the actuary.
- Transactions and balances with its own subsidiaries which are eliminated on consolidation are not included above.

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

## Note No.50 Subsidiary information

50.1 Details of the Group's subsidiaries at the end of the reporting period are as follows:

Sl. No.	Name of the subsidiary	Principal activity	Place of Incorporation	Proportion of ownership interest and voting power held by the Group	
				March 31, 2021	March 31, 2020
1	Altima Innovations Inc.	Trading in pharmaceutical products	USA	100.00%	100.00%
2	Apollo Life sciences Holding Proprietary Limited	Registration and marketing of pharmaceutical products	South Africa	51.76%	51.76%
3	Arco Lab Private Limited	Outsourcing and business support services	India	100.00%	100.00%
4	Arrow Life Sciences (Malaysia) SDN BHD	Trading in pharmaceutical products	Malaysia	100.00%	100.00%
5	Arrow Pharma Pte Limited	Investment Holding	Singapore	100.00%	100.00%
6	Arrow Pharma (Private) Limited	Trading in pharmaceutical products	Sri Lanka	100.00%	100.00%
7	Arrow Pharma Life Inc.	Trading in pharmaceutical products	Philippines	100.00%	100.00%
8	Arrow Remedies Private Limited #	Trading in pharmaceutical products	India	0.00%	100.00%
9	Beltapharm S.p.A	Manufacturing and trading in pharmaceutical products	Italy	97.94%	97.94%
10	Eris Pharma GmbH*	Trading in Pharmaceutical products	Germany	70.00%	70.00%
11	Fair-Med Healthcare AG*	Trading in Pharmaceutical products	Switzerland	70.00%	70.00%
12	Fairmed Healthcare GmbH*	Trading in Pharmaceutical products	Germany	70.00%	70.00%
13	Fagris Medica Private Limited #	Trading in pharmaceutical products	India	0.00%	100.00%
14	Generic Partners (International) Pte Limited	Supplying and distributing generic pharmaceutical products	Singapore	100.00%	100.00%
15	Generic Partners (Canada) Inc	Supplying and distributing generic pharmaceutical products	Canada	100.00%	100.00%
16	Generic Partners UK Limited	Supplying and distributing generic pharmaceutical products	UK	100.00%	100.00%
17	Generic Partners (R&D) Pte Limited	Development of pharmaceutical products	Singapore	100.00%	100.00%
18	PharmaPar Inc.	Trading in pharmaceutical products	Canada	80.00%	80.00%
19	Shasun Pharma Solutions Inc.	Trading in pharmaceutical products	USA	100.00%	100.00%
20	Stabilis Pharma Inc.	Trading in pharmaceutical products	USA	100.00%	100.00%
21	Stelis Biopharma (Malaysia) SDN. BHD	Develop, manufacture, market and trade in pharmaceutical and ancillary products	Malaysia	100.00%	100.00%
22	Strides Arcolab International Limited	Investment Holding	UK	100.00%	100.00%
23	Strides CIS Limited	Trading in pharmaceutical products	Cyprus	100.00%	100.00%
24	Strides Emerging Markets Limited #	Manufacturing and trading in pharmaceutical products	India	0.00%	100.00%
25	Strides Foundation Trust	Carrying out Social Responsibility activities	India	-	-
26	Strides Life Sciences Limited	Trading in pharmaceutical products	Nigeria	100.00%	100.00%
27	Strides Netherlands BV	Trading in pharmaceutical products	Netherlands	100.00%	100.00%
28	Strides Nordics Aps	Trading in pharmaceutical products	Denmark	100.00%	100.00%
29	Strides Pharma (Cyprus) Limited	Trading in pharmaceutical products	Cyprus	100.00%	100.00%
30	Strides Pharma (SA) Pty Limited	Trading in pharmaceutical products	South Africa	60.00%	60.00%
31	Strides Pharma Global (UK) Limited	Investment Holding	UK	100.00%	100.00%
32	Strides Pharma Asia Pte. Limited	Investment Holding	Singapore	100.00%	100.00%
33	Strides Pharma Science Pty Ltd	Trading in pharmaceutical products	Australia	100.00%	100.00%
34	Strides Pharma Canada Inc.	Trading in pharmaceutical products	Canada	100.00%	100.00%

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Sl. No.	Name of the subsidiary	Principal activity	Place of Incorporation	Proportion of ownership interest and voting power held by the Group	
				March 31, 2021	March 31, 2020
35	Strides Pharma Global Pte Limited	Develop, manufacture, market and trade in pharmaceutical and ancillary products	Singapore	100.00%	100.00%
36	Strides Pharma Inc.	Trading in pharmaceutical products	USA	100.00%	100.00%
37	Strides Pharma International Limited	Investment Holding	Cyprus	100.00%	100.00%
38	Strides Pharma UK Limited	Trading in pharmaceutical products	UK	100.00%	100.00%
39	Strides Shasun Latina, SA de CV	Trading in pharmaceutical products	Mexico	80.00%	80.00%
40	Strides Vivimed Pte Limited	Trading in pharmaceutical products	Singapore	100.00%	100.00%
41	SVADS Holdings SA	Develop and trade in pharmaceutical products	Switzerland	100.00%	100.00%
42	Trinity Pharma Proprietary Limited	Registration and marketing of pharmaceutical products	South Africa	51.76%	51.76%
43	Universal Corporation Limited	Manufacturing, development and trading in pharmaceuticals products	Kenya	51.00%	51.00%
44	Vensun Pharmaceuticals Inc.	Develop and trade in pharmaceutical products	USA	100.00%	100.00%
45	Vivimed Life Sciences Private Limited	Manufacturing, development and trading in pharmaceuticals products	India	100.00%	100.00%

### Notes

\*Pursuant to business acquisition (including acquisition of non-controlling interest). Refer note 39.

#Merged with Strides Pharma Science Limited (Refer note 50.2)

### 50.2 Business combination under common control

The Scheme u/s 230 to 232 of the Companies Act, 2013, between Strides (the transferee company), Strides Emerging Market Limited, Arrow Remedies Private Limited, and Fagris Medica Private Limited (together, the transferor companies) with an appointed date of April 1, 2019 was approved by the National Company Law Tribunal (NCLT), Bangalore Bench vide order dated May 28, 2020 and by the NCLT, Maharashtra Bench vide order dated November 6, 2020.

Entity / Business acquired	Date of control
Strides Emerging Market Limited	1-Jun-12
Arrow Remedies Private Limited	12-Sep-15
Fagris Medica Private Limited	31-Mar-17

### Salient features of the Scheme

- As the Transferee Company is the ultimate holding company of the Transferor Companies, there shall not be any issue of shares as purchase consideration to the shareholders of the Transferor Companies. Further, upon the scheme becoming effective the investments in the share capital of the Transferor companies, appearing in the books of accounts of the Transferee Company, if any, stands cancelled.
- Upon the Scheme becoming effective, the authorised share capital of the Transferor Companies shall stand combined with the authorised share capital of the Transferee Company. Accordingly, the authorised share capital of the Company will be ₹ 1,883,700,000, comprising 188,370,000 shares of ₹ 10 each, with effect from appointed date.
- On the Scheme becoming effective and with effect from the Appointed Date, the merger of the Transferor Companies with the Transferee Company is accounted by the Transferee Company as per the applicable accounting principles prescribed under the Indian Accounting Standard (Ind AS) 103, 'Business Combinations' notified under Section 133 of the Act and/ or any other applicable Ind AS, as amended from time to time.

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

- On scheme becoming effective, the securities premium of Strides Emerging Markets Limited have been recorded as securities premium for Strides Pharma Science Limited with a corresponding adjustment to capital reserve.
- This merger had no material impact on Consolidated financial statement, since these were already being consolidated.

## Note No.51 Financial instruments

### 51.1 Categories of financial instruments

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>Financial assets:</b>		
<i>Measured at fair value through profit or loss (FVTPL)</i>		
(a) Mandatorily measured:		
(i) Investment in Mutual funds	994.12	1,189.68
<i>Measured at amortised cost</i>		
(a) Cash and bank balances	1,797.65	2,370.97
(b) Loans	429.27	538.00
(c) Trade receivables	11,068.59	9,316.94
(d) Other financial assets at amortised cost	5,542.62	4,239.35
<i>Measured at FVTOCI</i>		
(a) Fair value of derivatives designated in a cash flow hedge	64.54	6.28
(b) Investments in certain equity instruments designated upon initial recognition	141.02	10.38
<b>Financial liabilities:</b>		
<i>Measured at fair value through profit or loss (FVTPL)</i>		
(a) Gross obligation under written put option	330.81	82.37
(b) Other financial liabilities	461.71	535.72
<i>Measured at amortised cost</i>		
(a) Borrowings (including current maturities of long-term borrowings)	21,033.88	19,617.39
(b) Security deposit	39.59	36.90
(c) Trade payables	11,786.24	7,977.48
(d) Unclaimed dividends	21.68	58.54
(e) Payables on purchase of property, plant and equipments and intangible assets	211.39	273.09
(f) Payables on purchase of non-current investments	110.40	202.67
(g) Lease liabilities	2,448.37	2,729.25
(h) Other financial liabilities	112.87	127.83
<i>Measured at FVTOCI</i>		
(a) Derivative financial liabilities	271.74	717.72

#### 51.1.1 Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

### 51.1.2 Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and input(s) used).

Financial assets / financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2021	March 31, 2020		
<b>Financial assets:</b>				
Foreign currency forward contracts designated in hedge accounting relationships (FVTOCI)	64.54	6.28	Level 2	The fair value of forward foreign contracts are determined using spot and forward exchange rates at the balance sheet date.
Equity investments (unquoted, FVTOCI)	-	0.55	Level 3	The fair value of the equity instruments are determined using comparable quotes available.
Investment in Mutual fund (quoted)	994.12	1,189.68	Level 1	The fair value is determined based on the Net asset value published by respective funds.
Investment in equity instruments at FVTOCI (quoted)	141.02	9.83	Level 1	The fair value of the said investment is derived based on the quoted prices on stock exchanges.
<b>Financial liabilities:</b>				
Gross obligation under put options	330.81	82.37	Level 3	The said obligation under put options are valued using Black Scholes / Monte carlo simulation model. Significant unobservable inputs used for the said valuation are volatility and risk free interest rate (Discount rate). Refer note (b) below
Contingent consideration payable	408.91	535.72	Level 3	The fair value has been derived based on the estimated payout based on the projected profits of the subsidiary and discounted for the present value using the risk free interest rate / weighted average cost of capital.
Cash settled share based payments (FVTPL)	52.80	-	Level 3	The fair value of cash settled share based payments is determined using Black Scholes model. Significant input is underlying value of the equity shares of the company.
Foreign currency forward contracts designated in hedge accounting relationships (FVTOCI)	-	332.83	Level 2	The fair value of forward foreign contracts are determined using forward exchange rates at the balance sheet date.
Interest rate swaps designated in hedge accounting relationships (FVTOCI)	271.74	384.89	Level 2	Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

#### Notes:

- These investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Group has chosen to designate these investments in equity instruments as at FVTOCI as the directors believe that this provides a more meaningful presentation for a medium or long-term strategic investments, than reflecting changes in fair value immediately in Statement of profit and loss.
- There is a wide range of possible fair value measurements for the valuation of exercise price of written-put options included in Level 3 of fair value hierarchy and the amount considered above represents the estimate of the fair value within that range.

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### Reconciliation of Level 3 fair value measurements

#### a) Gross obligation under put options

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Opening balance	82.37	3,915.77
Add: Payable on new acquisitions during the year	223.01	
Less: Disposal / settlements	-	(2,724.33)
Add: Losses in the statement of profit and loss	12.05	(1,083.53)
Add: Currency translations in other comprehensive income	13.38	(25.54)
<b>Closing balance</b>	<b>330.81</b>	<b>82.37</b>

#### b) Contingent consideration payable

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Opening balance	535.72	612.21
Disposal / settlements	(185.99)	(167.58)
Add: Losses in the statement of profit and loss	74.35	53.61
Less: Currency translations in other comprehensive income	(15.17)	37.48
<b>Closing balance</b>	<b>408.91</b>	<b>535.72</b>

The above said gain / loss on fair valuation of options and contingent consideration is recognised in the statement of profit and loss under "Exceptional items".

#### 51.1.3 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the Group considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements at amortised cost will reasonably approximate their fair values.

Particulars	₹ In Million			
	March 31, 2021		March 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>				
Loans receivable	144.38	144.38	266.64	266.64
Security deposit	284.89	307.36	271.36	299.84
<b>Financial liabilities</b>				
Borrowings	21,033.88	21,130.01	19,617.39	19,683.19

### 51.2 Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may

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be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

### 51.3 Foreign currency risk management

The Group is exposed to foreign exchange risk due to:

- debt availed in foreign currency
- net investments in subsidiaries and joint ventures that are in foreign currencies
- exposure arising from transactions relating to purchases, revenues, expenses, etc., to be settled (within and outside the group) in currencies other than the functional currency of the respective entities "

Exchange rate exposures are managed within approved policy parameters by utilising forward foreign exchange contracts.

#### 51.3.1 Forward exchange contracts

It is the policy of the Group to enter into forward foreign exchange contracts to cover the following:

- repayments of specific foreign currency borrowings.
- the risk associated with anticipated sales transactions out to 6 months within 50% to 70% of the exposure generated.

The following table details the forward foreign currency contracts outstanding at the end of the reporting period:

#### Contracts designated in a cash flow hedge

Outstanding contracts	Underlying Exposure	Average exchange rate (₹)	Foreign currency (USD in Million)	Nominal amounts (₹ in Million)	Fair value assets (liabilities) (₹ in Million)
<b>As at March 31, 2021</b>					
<b>Sell USD</b>					
Less than 3 months	Forecasted sales	77.01	15.00	1,155.28	1,208.78
<b>Sell GBP</b>					
6 to 12 months	Forecasted sales	106.67	6.00	640.04	651.08
<b>Total</b>				<b>1,795.32</b>	<b>1,859.86</b>
<b>As at March 31, 2020</b>					
<b>Sell USD</b>					
Less than 3 months	Forecasted sales	73.23	30.00	2,196.80	2,110.63
3 to 6 months		74.16	30.00	2,224.78	2,144.55
6 to 12 months		75.15	60.00	4,509.20	4,345.49
<b>Sell EUR</b>					
Less than 3 months	Forecasted sales	83.82	0.30	25.15	25.36
3 to 6 months		-	-	-	-
6 to 12 months		-	-	-	-
<b>Sell GBP</b>					
Less than 3 months	Forecasted sales	94.83	2.25	213.36	214.83
3 to 6 months		95.76	2.25	215.47	216.82
6 to 12 months		96.52	0.75	72.39	72.92
<b>Total</b>				<b>9,457.15</b>	<b>9,130.60</b>

The line-items in the Consolidated balance sheet that include the above hedging instruments are "Other financial assets".



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The details of unhedged foreign currency exposure are as follows:

Amount receivable/(payable)	As at March 31, 2021		As at March 31, 2020	
	in foreign Currency	in INR	in foreign Currency	in INR
USD	(19.65)	(1,437.62)	(31.19)	(2,350.04)
AUD	105.53	5,865.05	95.32	4,406.53
EUR	5.61	481.72	1.00	83.30
GBP	(0.17)	(17.12)	(1.40)	(130.99)
SGD	(29.27)	(1,591.85)	(29.97)	(1,588.06)
Others	3.80	226.53	(0.21)	55.04

### 51.3.2 Foreign currency sensitivity analysis

Financial instruments affected by changes in foreign exchange rates include External Commercial Borrowings (ECBs), loans in foreign currencies to subsidiaries and joint ventures. The Group considers US Dollar and the Euro to be principal currencies which require monitoring and risk mitigation. The Group is exposed to volatility in other currencies including the Great Britain Pounds (GBP) and the Australian Dollar (AUD). The impact on account of 5% appreciation / depreciation in the exchange rate of the above foreign currencies against ₹ is given below:

Particulars	₹ In Million			
	Increase / (decrease) in profit		Increase / (decrease) in equity	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Appreciation in the USD	(71.88)	(117.50)	(52.34)	(87.73)
Depreciation in the USD	71.88	117.50	52.34	87.73
Appreciation in the EUR	24.09	4.17	17.30	2.37
Depreciation in the EUR	(24.09)	(4.17)	(17.30)	(2.37)
Appreciation in the AUD	293.25	220.33	234.61	178.71
Depreciation in the AUD	(293.25)	(220.33)	(234.61)	(178.71)
Appreciation in the GBP	(0.86)	(6.55)	(6.93)	(7.68)
Depreciation in the GBP	0.86	6.55	6.93	7.68

The impact on profit has been arrived at by applying the effects of appreciation / depreciation effects of currency on the net position (Assets in foreign currency - Liabilities in foreign currency) in the respective currencies.

For the purposes of the above table, it is assumed that the carrying value of the financial assets and liabilities as at the end of the respective financial years remains constant thereafter. The exchange rate considered for the sensitivity analysis is the exchange rate prevalent as at each year end.

The sensitivity analysis might not be representative of inherent foreign exchange risk due to the fact that the foreign exposure at the end of the reporting period might not reflect the exposure during the year.

### 51.4 Interest rate risk management

Interest rate risk arises from borrowings. Debt issued at variable rates exposes the Group to cash flow risk. Debt issued at fixed rate exposes the Group to fair value risk. The Group mitigates its interest rate risk by entering into interest rate swap contracts.

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### 51.4.1 Interest rate sensitivity analysis

Financial instruments affected by interest rate changes include secured long term loans from banks, secured long term loans from others, unsecured long term loans, secured short term loans from banks and unsecured short term loans from banks and others. The substantial portion of the borrowings of the Group have a floating rate of interest (refer note 22). The impact of a 1% change in interest rates on the profit of an annual period will be ₹ 211.30 Million (Previous year : ₹ 196.83 Million) assuming the loans at each year end remain constant during the respective years. This computation does not involve a revaluation of the fair value of loans as a consequence of changes in interest rates. The computation also assumes that an increase in interest rates on floating rate liabilities will not necessarily involve an increase in interest rates on floating rate financial assets.

### 51.4.2 Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

The following tables detail the nominal amounts and remaining terms of interest rate swap contracts outstanding at the reporting period end.

#### (a) Contracts designated in a cash flow hedge

##### Borrowing in USD floating rate swapped for repayment in USD fixed rate at March 31, 2021:

Outstanding contracts	Average contracted fixed interest rate	Nominal amounts	₹ In Million
			Fair value assets (liabilities)
Less than 1 year	6.17%	1,024.08	968.81
1 to 2 years		966.29	912.79
2 to 5 years		2,194.46	2,031.49
5 years +		-	-
<b>Total</b>		<b>4,184.83</b>	3,913.09

##### Borrowing in USD floating rate swapped for repayment in USD fixed rate at March 31, 2020:

Outstanding contracts	Average contracted fixed interest rate	Nominal amounts	₹ In Million
			Fair value assets (liabilities)
Less than 1 year	6.17%	715.76	668.99
1 to 2 years		1,054.80	985.39
2 to 5 years		2,502.14	2,301.59
5 years +		753.43	685.27
<b>Total</b>		<b>5,026.13</b>	4,641.24

The line-item in the consolidated balance sheet that includes the above instruments is "Other financial liabilities".

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the local interbank rate in the currency of the loan. The Group will settle the difference between the fixed and floating interest rate on a net basis.

### 51.5 Other price risks

The Group is exposed to equity price risks arising from equity investments. Certain of the Group's equity investments are held for strategic rather than for trading purposes.

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### 51.5.1 Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, other comprehensive income for the year ended March 31, 2021 would increase/decrease by ₹ 7.05 Million (for the year ended March 31, 2020: increase/decrease by ₹ 0.49 Million) as a result of the changes in fair value of equity investments measured at FVTOCI.

### 51.6 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit Risk to the group primarily arises from trade receivables. Credit risk also arises from cash and cash equivalents, loans, financial instruments and deposits with banks and financial institutions and other financial assets.

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group has an internal mechanism of determining the credit rating of the customers and setting credit limits. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group is not significantly exposed to geographical distribution risk as the counterparties operate across various countries across the Globe.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings.

In determining the allowance for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates as given in the provision matrix. The Provision matrix at the end of reporting period as follows:

Age of receivables	March 31, 2021		March 31, 2020	
	Trade receivable	Expected credit loss allowance	Trade receivable	Expected credit loss allowance
Within Credit	8,520.90	116.41	6,215.73	91.01
Less than 180 Days	2,214.81	84.83	2,670.02	100.56
180-360 Days	61.71	10.54	330.42	76.88
360-540 Days	202.91	30.04	520.19	151.68
540-720 Days	262.44	147.54	65.05	64.34
Over 720 Days	426.00	230.82	199.76	199.76
<b>Total</b>	<b>11,688.77</b>	<b>620.18</b>	<b>10,001.17</b>	<b>684.23</b>

### Movement in Expected credit loss allowance

Particulars	March 31, 2021		March 31, 2020	
Balance at the beginning of the year	684.23		734.04	
Written off during the year	(158.66)		(164.58)	
Movement in Expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	94.61		114.77	
<b>Balance at end of the year</b>	<b>620.18</b>		<b>684.23</b>	

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### 51.7 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual short term and long term cash flows, and by matching the maturity profiles of financial assets and liabilities. A portion of the Group's surplus cash is retained as investments in Liquid Mutual Funds to fund short term requirements.

#### 51.7.1 Liquidity analysis for non-derivative liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Financial Liabilities	Due within (years)						Total	Carrying Amount
	1	1 to 2	2 to 3	3 to 4	4 to 5	beyond 5		
<b>Bank and other borrowings</b>								
- As on March 31, 2021	12,208.10	1,900.35	4,716.13	1,214.18	1,091.25	-	<b>21,130.01</b>	<b>21,033.88</b>
- As on March 31, 2020	13,578.26	1,769.99	1,579.07	1,167.60	834.84	753.43	<b>19,683.19</b>	<b>19,617.39</b>
<b>Interest payable on borrowings</b>								
- As on March 31, 2021	47.85	-	-	-	-	-	<b>47.85</b>	<b>47.85</b>
- As on March 31, 2020	103.67	-	-	-	-	-	<b>103.67</b>	<b>103.67</b>
<b>Trade and other payable not in net debt</b>								
- As on March 31, 2021	12,714.52	472.54	405.54	376.29	284.12	2,433.17	<b>16,686.18</b>	<b>15,144.40</b>
- As on March 31, 2020	9,092.10	493.39	490.99	423.67	378.56	2,756.01	<b>13,634.72</b>	<b>11,837.81</b>

### 51.8 Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings as detailed in notes 9,11,17, 18 and 22 offset by cash and bank balances and Investment in Mutual funds) and total equity of the Group.

The Group reviews the capital structure of the Group on a quarterly basis to ensure that it in compliance with the required covenants. The Group has a target gearing ratio of 1:1 determined as the proportion of net debt to total equity. The gearing ratio at March 31, 2021 is 0.64 (March 31, 2020: 0.62).

The Group is not subject to any externally imposed capital requirements.

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### 51.8.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows.

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Debt (i)	21,033.88	19,617.39
Less:		
Investment in Mutual funds	994.12	1,189.68
Cash and bank balances	1,797.65	2,370.97
Fixed deposits with banks with more than 12 months maturity	139.79	6.66
<b>Net Debt (A)</b>	<b>18,102.32</b>	<b>16,050.08</b>
<b>Total Equity (B)</b>	<b>28,140.02</b>	<b>25,946.55</b>
<b>Net debt to equity ratio (A/B)</b>	<b>0.64</b>	<b>0.62</b>

- (i) Debt is defined as long-term borrowings, current maturities of long-term borrowings and short-term borrowings and does not include obligations relating to derivatives over non-controlling interests.

### Note No.52 Transfer Pricing

The detailed transfer pricing regulations ('regulations') for computing the income from "domestic transactions" with specified parties and international transactions between 'associated enterprises' on an 'arm's length' basis is applicable to the Group. These regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an Accountant which is to be filed with the Income tax authorities.

The Group has undertaken necessary steps to comply with the transfer pricing regulations. The Management is of the opinion that the transactions with associated enterprises and domestic transactions are at arm's length, and hence the aforesaid legislation will not have any material impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

### Note No.53 Other matters :

- (a) In respect of freehold land to the extent of 4.69 acres (as at March 31, 2021 gross block and net block amounting to ₹ 174.30 Million) capitalised in the books of the Company, the title deeds are under dispute. The Company based on its internal assessment believes that it has title deed in its name and it will be able to defend any counter claims on such parcel of land under dispute.
- (b) The title deeds of freehold land and building admeasuring 20.58 acres (as at March 31, 2021 gross block ₹ 702.60 Million and net block of ₹ 480.43 Million) capitalised in the books of the Company are in the name of erstwhile Companies which were merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Courts of judicature. The Company is in the process transferring the title deeds of such properties in its name.
- (c) In respect of building admeasuring 750 sq. ft. (as at March 31, 2021 gross block of ₹ 3.55 Million and net block ₹ 1.17 Million) capitalised in the books of the Company, the title deeds are not in the name of the Company. The Company is in the process of transferring the title deeds of such building in its name.

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### Note No.54 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 for the year ended March 31, 2021

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in Million	As % of consolidated profit or loss	₹ in Million	As % of consolidated other comprehensive income	₹ in Million	As % of consolidated total comprehensive income	₹ in Million
Strides Pharma Science Limited	40.08%	32,480.58	21.92%	782.40	52.43%	239.25	25.37%	1,021.65
<b>Indian Subsidiaries:</b>								
Arco Lab Private Limited	0.09%	72.70	1.41%	50.23	-0.04%	(0.19)	1.24%	50.04
Strides Foundation Trust	0.04%	31.01	0.13%	4.63	0.00%	-	0.11%	4.63
Vivimed Lifesciences Private Limited	0.73%	592.51	3.39%	121.06	0.32%	1.45	3.04%	122.51
<b>Foreign Subsidiaries:</b>								
Altima Innovations Inc.	0.00%	0.60	0.00%	(0.04)	0.00%	-	0.00%	(0.04)
Apollo Life Sciences Holdings Proprietary Limited	0.00%	(2.04)	0.00%	(0.17)	0.00%	-	0.00%	(0.17)
Arrow Life Sciences (Malaysia) SDN. BHD.	0.00%	(0.58)	0.00%	(0.17)	0.00%	-	0.00%	(0.17)
Arrow Pharma (Private) Limited	0.00%	0.32	0.00%	(0.05)	0.00%	-	0.00%	(0.05)
Arrow Pharma Life Inc.	0.00%	(1.39)	-0.06%	(1.97)	0.00%	-	-0.05%	(1.97)
Arrow Pharma Pte Limited	-0.10%	(77.54)	-0.05%	(1.90)	0.00%	-	-0.05%	(1.90)
Beltapharm SpA	0.29%	232.80	0.95%	34.00	0.00%	-	0.84%	34.00
ERIS Pharma GmbH, Germany	-0.02%	(19.97)	-0.02%	(0.64)	0.00%	-	-0.02%	(0.64)
Fairmed Healthcare AG, Switzerland	0.16%	126.11	0.92%	32.90	0.00%	-	0.82%	32.90
Fair-Med Healthcare GmbH, Germany	-1.69%	(1,367.75)	-10.68%	(381.41)	0.00%	-	-9.47%	(381.41)
Generic Partners R&D Pte Ltd	0.00%	3.51	0.00%	-	0.00%	-	0.00%	-
Generic Partners (Canada) Inc.	-0.02%	(12.34)	-0.40%	(14.22)	0.00%	-	-0.35%	(14.22)
Generic Partners (International) Pte Limited	0.00%	3.66	0.00%	(0.07)	0.00%	-	0.00%	(0.07)
Generic Partners UK Limited	0.06%	44.72	-0.01%	(0.21)	0.00%	-	-0.01%	(0.21)
Pharmapar Inc.	-0.01%	(10.15)	-3.37%	(120.21)	0.00%	-	-2.99%	(120.21)
Shasun Pharma Solutions Inc.	0.00%	(0.69)	0.00%	(0.07)	0.00%	-	0.00%	(0.07)
Stabilis Pharma Inc.	0.00%	0.04	0.00%	(0.10)	0.00%	-	0.00%	(0.10)
Stelis Biopharma (Malaysia) SDN. BHD.	0.11%	90.03	-0.13%	(4.75)	0.00%	-	-0.12%	(4.75)
Strides Arcolab International Limited	6.24%	5,057.40	-5.68%	(202.61)	0.00%	-	-5.03%	(202.61)
Strides CIS Limited	0.00%	(1.89)	-0.82%	(29.17)	0.00%	-	-0.72%	(29.17)
Strides Life Sciences Limited	-0.23%	(189.03)	-1.28%	(45.66)	0.00%	-	-1.13%	(45.66)
Strides Pharma (Cyprus) Limited	1.42%	1,147.62	7.94%	283.44	0.00%	-	7.04%	283.44
Strides Pharma (SA) Pty Limited	-0.02%	(16.37)	-1.14%	(40.66)	0.00%	-	-1.01%	(40.66)
Strides Netherlands B.V.	0.00%	4.03	0.08%	2.97	0.00%	-	0.07%	2.97
Strides Nordic ApS,	0.02%	14.88	0.06%	1.97	0.00%	-	0.05%	1.97
Strides Pharma Science Pty Ltd	0.05%	42.27	-0.49%	(17.45)	0.00%	-	-0.43%	(17.45)
Strides Pharma Global (UK) Limited	2.19%	1,771.15	0.15%	5.30	5.35%	24.40	0.74%	29.70

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Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in Million	As % of consolidated profit or loss	₹ in Million	As % of consolidated other comprehensive income	₹ in Million	As % of consolidated total comprehensive income	₹ in Million
Strides Pharma Asia Pte Limited	17.93%	14,533.34	0.26%	9.44	0.00%	-	0.23%	9.44
Strides Pharma Canada Inc.	0.37%	297.73	-0.88%	(31.58)	0.00%	-	-0.78%	(31.58)
Strides Pharma Global Pte Limited	22.66%	18,367.05	89.90%	3,209.52	24.43%	111.47	82.48%	3,320.99
Strides Pharma Inc.	6.64%	5,382.71	12.59%	449.34	17.51%	79.91	13.14%	529.25
Strides Pharma International Limited	1.27%	1,032.17	2.63%	93.87	0.00%	-	2.33%	93.87
Strides Pharma UK Limited	1.21%	976.81	5.61%	200.37	0.00%	-	4.98%	200.37
Strides Shasun Latina, SA de CV	0.02%	19.58	-0.10%	(3.59)	0.00%	-	-0.09%	(3.59)
Strides Vivimed Pte Limited	0.19%	155.77	-0.02%	(0.54)	0.00%	-	-0.01%	(0.54)
SVADS Holdings SA	0.55%	447.08	2.69%	96.02	0.00%	-	2.38%	96.02
Trinity Pharma Proprietary Limited	0.28%	227.15	2.77%	98.90	0.00%	-	2.46%	98.90
Universal Corporation Limited	0.92%	746.71	-0.72%	(25.82)	0.00%	-	-0.64%	(25.82)
Vensun Pharmaceuticals Inc.	-1.43%	(1,161.70)	-0.14%	(5.06)	0.00%	-	-0.13%	(5.06)
<b>Indian Associates:</b>								
Stelis Biopharma Private Limited	0.00%	-	-16.21%	(578.77)	0.00%	-	-14.37%	(578.77)
Strides Consumer Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Foreign Associates:</b>								
Aponia Laboratories Inc.	0.00%	-	-0.12%	(4.16)	0.00%	-	-0.10%	(4.16)
Juno OTC Canada	0.00%	-	-0.59%	(21.19)	0.00%	-	-0.53%	(21.19)
Regional Bio Equivalence Centre S.C.,	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Stelis Pte limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Stelis Biopharma LLC	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Strides Consumer LLC	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Strides Global Consumer Healthcare Limited	0.00%	-	-9.51%	(339.58)	0.00%	-	-8.43%	(339.58)
<b>Foreign Joint ventures:</b>								
Sihuan Strides (HK) Limited	0.00%	-	-0.97%	(34.49)	0.00%	-	-0.86%	(34.49)
<b>Total</b>	<b>100.00%</b>	<b>81,040.60</b>	<b>100.00%</b>	<b>3,570.05</b>	<b>100.00%</b>	<b>456.29</b>	<b>100.00%</b>	<b>4,026.34</b>
a) Adjustments arising out of consolidation		(53,273.99)		(885.63)		(296.32)		(1,181.95)
b) Minority Interest in all subsidiaries:								
Foreign Subsidiaries:		373.41		(107.13)		5.58		(101.55)
<b>Total</b>		<b>28,140.02</b>		<b>2,577.29</b>		<b>165.55</b>		<b>2,742.84</b>

### (i) Share of discontinued operations included above is as follows:

Discontinued operation	₹ In Million		
	Profit or loss	Other Comprehensive Income	Total Comprehensive Income
Gain on sale of investments in entities manufacturing specialty products	139.41	-	139.41
<b>Total</b>	<b>139.41</b>	<b>-</b>	<b>139.41</b>

## Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

(ii) The amounts given here in respect of associates and joint ventures are the share of the Group in the profit or loss of the respective associates and joint ventures.

### Note No.55 Equity accounted investees

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Investment in associates	5,745.77	4,162.95
Investment in joint ventures	93.17	131.02
<b>Total</b>	<b>5,838.94</b>	<b>4,293.97</b>

### Associates

#### (a) Stelis Biopharma Private Limited

The Group has an associate in the name of Stelis Biopharma Private Limited (Stelis), incorporated in India as at March 31, 2021 holding 47.90% (March 31, 2020: 47.81%) of the equity stake and accounted for using the equity method.

The following table summarises the financial information of Stelis and the carrying amount of the Group's interest

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>Percentage ownership interest</b>	<b>47.90%</b>	<b>47.81%</b>
Non-current assets	11,590.88	9,466.85
Current assets	987.19	247.86
Non-current liabilities	(3,206.85)	(3,605.83)
Current liabilities	(1,611.02)	(1,938.31)
<b>Net assets</b>	<b>7,760.20</b>	<b>4,170.57</b>
Group share of net assets	<b>3,717.14</b>	<b>1,993.95</b>
Carrying amount of interest in associate	<b>4,886.68</b>	<b>2,747.50</b>

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>Percentage ownership interest</b>	<b>47.90%</b>	<b>47.81%</b>
Income	223.95	22.97
Profit for the year	(1,208.29)	(1,397.86)
Other comprehensive income	(9.61)	(6.23)
<b>Total comprehensive income</b>	<b>(1,217.90)</b>	<b>(1,404.09)</b>
<b>Group share of profit</b>	<b>(578.77)</b>	<b>(668.32)</b>

#### (b) Strides Consumer Business

The Group have investments in Strides Global Consumer Healthcare Limited, incorporated in UK, Strides Consumer LLC, incorporated in USA and Strides Consumer Private Limited, incorporated in India (together referred to as Strides Consumer Business) as at March 31, 2021 holding 53.64% (March 31, 2020: 53.64%) of the equity stake and accounted for using the equity method.

The following table summarises the financial information of Strides Consumer Business and the carrying amount of the Group's interest

## Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>Percentage ownership interest</b>	<b>53.64%</b>	<b>53.64%</b>
Non-current assets	1,852.53	1,256.65
Current assets	425.36	390.00
Non-current liabilities	(34.49)	(33.99)
Current liabilities	(256.64)	(163.86)
<b>Net assets</b>	<b>1,986.75</b>	<b>1,448.79</b>
Group share of net assets	1,065.69	777.13
Carrying amount of interest in associate	859.09	1,231.15

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>Percentage ownership interest</b>	<b>53.64%</b>	<b>53.64%</b>
Income	585.26	343.81
Profit for the year	(633.07)	(433.68)
Other comprehensive income	0.46	(0.08)
<b>Total comprehensive income</b>	<b>(632.60)</b>	<b>(433.76)</b>
<b>Group share of profit</b>	<b>(339.58)</b>	<b>(232.63)</b>

(c) The Group also has interests in a number of individually immaterial associates and joint ventures. The following table analyses, in aggregate, the carrying amount and share of profit and OCI for these associates and joint ventures.

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
Carrying amount of interests in associates and joint venture	93.17	315.32
Share in profit	(59.84)	(171.35)
Share in total comprehensive income	(59.84)	(171.35)

### Note No.56 Events after reporting period

On May 27, 2021, the Board of Directors of the Company has proposed a final dividend of ₹ 2.50 per equity share. The proposed dividend is subject to the approval of the shareholders in the Annual General Meeting.

### Note No.57 Impact of COVID

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Group has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Group has considered available internal and external information while finalising various estimates in relation to its financial statements upto the date of approval of the financial statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Group will continue to closely monitor any material changes to future economic conditions. However, the pandemic did not have any material impact on the financial statements for the year ended March 31, 2021.

## Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

**Note No.58** During the year ended March 31, 2021, no material foreseeable loss (March 31, 2020: Nil) was incurred for any long-term contract. The Company has recognised a mark to market loss of ₹ 271.74 Million (derivative liability) as of March 31, 2021 (2020: ₹ 717.72 Million (derivative liability)) on its derivative instruments.

**Note No.59** The previous year's figures have been re-grouped/ reclassified, where necessary to conform to current year's classification.

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W/W-100022

**for and on behalf of Board of Directors of Strides Pharma Science Limited**

**Dr. R. Ananthanarayanan**

Managing Director

DIN: 02231540

**Manjula R.**

Company Secretary

Membership Number A30515

**Badree Komandur**

Executive Director - Finance

DIN: 07803242

**Sampad Guha Thakurta**

Partner

Membership Number 060573

Bengaluru, May 27, 2021

# Independent Auditors' Report

To the Members of

**Strides Pharma Science Limited**

**Report on the Audit of the Standalone Financial Statements**

## Opinion

We have audited the standalone financial statements of Strides Pharma Science Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

## Basis for Opinion

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

## Emphasis of matter

We draw attention to Note 37 of the standalone financial statements which describes the accounting for the Scheme of Amalgamation ('the Scheme') between the Company and its wholly owned subsidiaries i.e Strides Emerging Market Limited ('SEML'), Arrow Remedies Private Limited ('Arrow') and Fagris Medica Private Limited ('Fagris'). The Scheme has been approved by the National Company Law Tribunal ('NCLT') Bengaluru and Mumbai bench, vide their order dated 28 May 2020 and 6 November 2020 respectively and a certified copy has been filed by the Company with the Registrar of Companies, Karnataka and Registrar of Companies, Maharashtra, on 1 December 2020. The appointed date as per the NCLT approved Scheme is 1 April 2019, which is the same as the beginning of the preceding period in the financial statements and hence, in line with the Scheme, the combination has been accounted for from that date as per the requirements of Appendix C to Ind AS 103 "Business Combination". Accordingly, the amounts for the year ended 31 March 2021 include the impact of the business combination for the entire year and the corresponding amounts for the previous year ended 31 March 2020 have been restated by the Company after recognising the effect of the amalgamation as above. The aforesaid note (Note 37) also describes in detail the impact of the business combination on the standalone financial statements.

Our opinion is not modified in respect of this matter.

## Key Audit Matters

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

## Impairment testing of investments in subsidiaries and associates:

[Refer Significant Accounting Policies and note 8 to the Standalone Financial Statements]

The key audit matter	How the matter was addressed in our audit
<p>The carrying amount of investments in subsidiaries and associates (aggregates to ₹ 23,946 million) accounts for 46% of the total assets of the Company as at 31 March 2021.</p> <p>Company's assessment of impairment contains a number of parameters which involve significant judgements and estimates including revenue growth, cashflow forecasting, weighted average cost of capital and other recent financing transactions. Changes in these assumptions, including ongoing impact of COVID-19, if any, could lead to an impact over fair value of investment and accordingly impairment provision.</p> <p>The annual impairment testing was significant to our audit, because of the financial quantum of the assets as well as the involvement of critical judgements, estimates and assumptions.</p>	<p>In view of the significance of the matter, following audit procedures were applied, among others, to obtain sufficient audit evidence:</p> <ul style="list-style-type: none"> <li>Tested the design of key internal financial controls and operating effectiveness of the relevant key controls around the impairment testing of the carrying value of investment in subsidiaries and associates.</li> <li>Performed a retrospective review to assess the reasonableness of Company's projections by comparing historical forecast to actual results.</li> <li>Tested reasonability of projections used by the Company relating to the sales growth, operating costs, cashflow forecasts.</li> <li>Engaged our valuation specialists to assist in testing the reasonableness of the valuation by evaluating the assumptions and methodologies used by the Company, in particular for weighted average cost of capital, terminal growth rate, etc.</li> <li>Tested recent financing transactions in these companies with third parties to determine the fair value of certain investments.</li> <li>Tested whether the Company's analysis about the sensitivity on the outcome of impairment to possible changes in key assumptions reflect the risks inherent in the valuation, including ongoing impact of COVID-19 pandemic, if any.</li> </ul>

## Taxation:

[Refer Significant Accounting Policies and notes 33 and 41 to the standalone financial statements]

The key audit matter	How the matter was addressed in our audit
<p>The Company has investment in various subsidiaries and associates which operates across different tax jurisdictions. The Company is subjected to various domestic and foreign tax regulations with respect to taxability of income received in India including repatriation of any profits as dividends.</p> <p>Assessing the applicability of tax and accounting of such repatriation may involve complexities with respect to various tax positions on availability of tax incentives / exemptions resulting in possible tax litigations/ assessments.</p> <p>Judgment is required in assessing the availability of tax incentives / exemptions. These judgments could change over time as each of the matter progresses with the relevant tax authorities and accordingly may impact the accounting treatment followed by the Company.</p> <p>Given the complexities and judgement involved in assessing the availability of tax incentives / exemptions and its impact on accounting, we assessed this to be an area of focus for our audit.</p>	<p>In view of the significance of the matter, following audit procedures were applied, among others to obtain sufficient audit evidence:</p> <ul style="list-style-type: none"> <li>We tested the design of internal financial controls and operating effectiveness of the relevant key controls in respect of taxation;</li> <li>We analysed relevant correspondences with the tax authorities;</li> <li>We used our subject matter experts to evaluate the Company's judgment regarding their assessment of availability of tax incentives / exemptions and the accounting treatment done.</li> </ul>

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises of Management Reports such as Board's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report, but does not include the financial statements and our auditor's report thereon which we obtained prior to the date of this auditor's report, and the remaining sections of Annual Report, which are expected to be made available to us after that date.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, on the other information that we obtained prior to the date of this auditor's report 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.

When we read the other sections of Annual Report (other than those mentioned above), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

### Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation

of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional 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 controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting 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.

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 controls that we identify during our audit.

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

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

### Other Matter

Corresponding figures as at and for the year ended 31 March 2020 of SEML, Arrow and Fagris included in these financial statements reflect total assets of ₹ 1,152 million, total revenue of ₹ 393 million, total net profit after tax of ₹ 85 million and total comprehensive income of ₹ 83 million and net cash inflows of ₹ 12 million. These figures were audited by their respective auditors and they expressed an unmodified opinion vide reports dated 11 June 2020, 16 June 2020 and 14 July 2020 respectively.

Our opinion on the standalone financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with

respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
  - (A) As required by Section 143(3) of the Act, we report that:
    - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
    - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
    - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
    - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone

- financial statements - Refer Note 41 to the standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 51 to the standalone financial statements;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the auditor's report under section 197(16):

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

for **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Sampad Guha Thakurta**  
Partner

Place: Bengaluru  
Date: 27 May 2021

Membership Number: 060573  
UDIN: 21060573AAAABY7468

## Annexure - A to the Independent Auditor's Report

The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone financial statements of Strides Pharma Science Limited for the year ended 31 March 2021. We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and basis our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except the following:

Particulars	Gross block (₹ in million as at 31 March 2021)	Net Block (₹ in million as at 31 March 2021)	Remarks
Freehold land admeasuring 4.69 Acres	174.30	174.30	The title deeds are under dispute.
Freehold land and building admeasuring 20.58 acres	702.60	480.43	The title deeds are not in the name of the Company.
Building (Apartment) admeasuring 750 sq. ft.	3.55	1.17	The title deeds are not in the name of the Company.

Refer note 49 to the standalone financial statements.

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

- (ii) Inventories, except goods in transit and stocks lying with third party, have been physically verified by the Management during the year and the discrepancies noticed on such verification between the physical stock and book records were not material. In our opinion, the frequency of such verification is reasonable.
- (iii) The Company has granted unsecured loans to Companies covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act").
  - (a) During the year the Company has not granted loans to parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the provisions of clause 3(iii) (a) of the Order is not applicable to the Company.
  - (b) In the case of the loans granted in earlier years to companies covered in the Register maintained under Section 189 of the Act, the borrowers have been regular in the repayment of the principal and payment of interest, wherever stipulated.
- (c) There are no amounts of loans granted to companies listed in the register maintained under section 189 of the Act which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made and, guarantees and securities given.
- (v) According to information and explanations given to us, the Company has not accepted any deposits. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) 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 under Section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such records.



(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, cess and other material statutory dues have been generally regularly deposited during the year with the appropriate authorities. Also refer note 41 to the standalone financial statements.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and goods and services tax, which have not been deposited with the appropriate authorities on account of any disputes other than those set out below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (₹ in million)
The Income-Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	AY 2008-09	190.42 (net of tax paid under protest of 223.14)
The Income-Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	AY 2009-10	262.21 (net of tax paid under protest of 307.56)
The Income-Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	AY 2011-12	75.14 (net of tax paid under protest of 59.98)
The Income-Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	AY 2012-13	155.86 (net of tax paid under protest of 1.62)
Central Excise Act, 1944	Central Excise	Customs, Excise and Service Tax Appellate Tribunal	Various dates	14.04
Central Excise Act, 1944	Central excise	Commission of Central Excise	Various dates	5.20
Central Excise Act, 1944	Central Excise	Customs, Excise and Service Tax Appellate Tribunal	Various dates	481.20 (net of tax paid under protest of 24.51)
Central Excise Act, 1944	Central Excise	Commissioner of Central Tax	Various dates	63.06

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions. The Company did not have any borrowings during the year by way of debentures or from government.

(ix) According to the information and explanations given to us, the Company has not raised any money by way of public issue or further public offer (including debt instruments) during the year. The term loans raised by the Company have been applied for the purpose for which they were raised.

(x) According to the information and explanations given to us, no fraud by the Company or any material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, para 3 (xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

for **B S R & Co. LLP**  
Chartered Accountants  
(Firm's Registration Number: 101248W/W-100022)

**Sampad Guha Thakurta**  
Partner  
Membership number: 060573  
UDIN: 21060573AAAABY7468

Place: Bengaluru  
Date: 27 May 2021

## Annexure B to the Independent Auditor's report on the standalone financial statements of Strides Pharma Science Limited ("the Company") for the year ended 31 March 2021.

### Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

#### Opinion

We have audited the internal financial controls with reference to financial statements of Strides Pharma Science Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### Management's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform

the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

#### Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

for **B S R & Co. LLP**  
Chartered Accountants  
(Firm's Registration Number: 101248W/W-100022)

**Sampad Guha Thakurta**  
Partner

Membership number: 060573  
UDIN: 21060573AAAABY7468

Place: Bengaluru  
Date: 27 May 2021

# Standalone Balance Sheet

as at March 31, 2021

	Note	March 31, 2021	March 31, 2020 (Restated)*
₹ in Million			
<b>A ASSETS</b>			
<b>I Non-current assets</b>			
(a) Property, plant and equipment	4	5,051.35	4,848.54
(b) Capital work-in-progress		813.60	894.70
(c) Right-of-use assets	5(i)	309.58	434.66
(d) Investment property	6	678.35	723.57
(e) Other intangible assets	7	405.66	500.33
(f) Intangible assets under development		293.09	227.82
(g) Financial assets			
(i) Investments	8	23,946.49	21,705.49
(ii) Loans receivable	9(i)	1,066.80	963.56
(iii) Other financial assets	10(i)	2.77	31.66
(h) Deferred tax assets (net)	11	752.11	1,004.38
(i) Income-tax assets (net)	12	1,275.17	1,330.79
(j) Other non-current assets	13(i)	179.79	147.81
<b>Total non-current assets</b>		<b>34,774.76</b>	<b>32,813.31</b>
<b>II Current assets</b>			
(a) Inventories	14	6,890.80	4,628.19
(b) Financial assets			
(i) Trade receivables	15	8,216.65	6,556.13
(ii) Cash and cash equivalents	16	253.03	668.20
(iii) Other balances with banks	17	477.39	430.79
(iv) Loans receivable	9(ii)	35.66	23.97
(v) Other financial assets	10(ii)	364.77	386.29
(c) Other current assets	13(ii)	1,200.27	1,246.72
		<b>17,438.57</b>	<b>13,940.29</b>
(d) Assets classified as held for sale	4	-	15.00
<b>Total current assets</b>		<b>17,438.57</b>	<b>13,955.29</b>
<b>Total Assets</b>		<b>52,213.33</b>	<b>46,768.60</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
(a) Equity share capital	18	896.81	895.65
(b) Other equity	19	31,583.77	30,692.21
<b>Total equity</b>		<b>32,480.58</b>	<b>31,587.86</b>
<b>II Liabilities</b>			
<b>1 Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	5(ii)	238.58	385.21
(ii) Borrowings	20(i)	1,475.39	-
(iii) Other financial liabilities	21(i)	39.59	36.90
(b) Provisions	22(i)	280.82	205.80
(c) Non-current tax liabilities	25(i)	1,790.91	-
(d) Other non-current liabilities	23(i)	1.08	3.38
<b>Total non-current liabilities</b>		<b>3,826.37</b>	<b>631.29</b>
<b>2 Current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	5(ii)	146.63	104.45
(ii) Borrowings	20(ii)	6,935.01	8,524.55
(iii) Trade payables	24	-	-
- Total outstanding dues of micro enterprises and small enterprises		318.12	161.05
- Total outstanding dues of creditors other than micro enterprises and small enterprises		7,248.93	4,737.66
(iv) Other financial liabilities	21(ii)	769.41	614.38
(b) Provisions	22(ii)	226.71	195.35
(c) Current tax liabilities (net)	25(ii)	31.53	-
(d) Other current liabilities	23(ii)	230.04	212.01
<b>Total current liabilities</b>		<b>15,906.38</b>	<b>14,549.45</b>
<b>Total liabilities</b>		<b>19,732.75</b>	<b>15,180.74</b>
<b>Total Equity and Liabilities</b>		<b>52,213.33</b>	<b>46,768.60</b>

\*Refer note 37

The accompanying notes are an integral part of the Standalone financial statements

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

Chartered Accountants

Firm Registration Number: 101248W/W-100022

**for and on behalf of Board of Directors of Strides Pharma Science Limited**
**Dr. R. Ananthanarayanan**

 Managing Director & CEO  
DIN: 02231540

**Badree Komandur**

 Executive Director - Finance & Group CFO  
DIN: 07803242

**Sampad Guha Thakurta**

 Partner  
Membership Number 060573  
Bengaluru, May 27, 2021

**Manjula R.**

 Company Secretary  
Membership Number A30515

# Standalone Statement of Profit and Loss

For the year ended March 31, 2021

	Note	March 31, 2021	March 31, 2020 (Restated)*
₹ in Million			
<b>Income</b>			
1 Revenue from operations	26	18,575.66	16,919.32
2 Other income	27	889.96	930.71
<b>3 Total income (1+2)</b>		<b>19,465.62</b>	<b>17,850.03</b>
<b>4 Expenses</b>			
(a) Cost of materials consumed		10,500.98	8,574.35
(b) Purchase of stock-in-trade		563.07	374.04
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	(1,175.34)	(28.75)
(d) Employee benefits expense	29	2,727.24	2,302.29
(e) Finance costs	30	653.39	668.43
(f) Depreciation and amortisation expense	31	993.42	942.40
(g) Other expenses	32	4,367.40	3,483.90
(h) Foreign exchange (gain)/loss- net		(280.89)	168.92
<b>Total expenses</b>		<b>18,349.27</b>	<b>16,485.58</b>
<b>5 Profit before exceptional items and tax (3-4)</b>		<b>1,116.35</b>	<b>1,364.45</b>
6 Exceptional items loss (net)		-	-
<b>7 Profit before tax (5+6)</b>		<b>1,116.35</b>	<b>1,364.45</b>
<b>8 Tax expense</b>	33		
(a) Current tax		210.18	152.00
(b) Deferred tax expense		123.77	9.70
<b>Total tax expense</b>		<b>333.95</b>	<b>161.70</b>
<b>9 Profit for the year (7-8)</b>		<b>782.40</b>	<b>1,202.75</b>
<b>10 Other comprehensive income</b>			
A) (i) Items that will not be reclassified to profit or loss	36	(23.35)	(31.47)
(ii) Income tax relating to items that will not be reclassified to profit or loss	36	8.16	11.41
B) (i) Items that may be reclassified to profit or loss	36	391.10	(516.60)
(ii) Income tax relating to items that may be reclassified to profit or loss	36	(136.66)	180.52
<b>Total other comprehensive income for the year, net of tax</b>		<b>239.25</b>	<b>(356.14)</b>
<b>11 Total comprehensive income for the year (9+10)</b>		<b>1,021.65</b>	<b>846.61</b>
<b>12 Earnings per equity share (of ₹10/- each)</b>			
- Basic	46	8.73	13.43
- Diluted	46	8.72	13.43

\*Refer note 37

The accompanying notes are an integral part of the Standalone financial statements

As per our report of even date attached

 for **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W/W-100022

**for and on behalf of Board of Directors of Strides Pharma Science Limited**
**Dr. R. Ananthanarayanan**

 Managing Director & CEO  
DIN: 02231540

**Badree Komandur**

 Executive Director - Finance & Group CFO  
DIN: 07803242

**Sampad Guha Thakurta**

 Partner  
Membership Number 060573  
Bengaluru, May 27, 2021

**Manjula R.**

 Company Secretary  
Membership Number A30515

# Standalone Statement of Changes in Equity

For the years ended March 31, 2021 and March 31, 2020

Particulars	₹ In Million
<b>Balance as at April 1, 2019</b>	<b>895.49</b>
<b>Changes in equity share capital during the year</b>	
- Shares issued pursuant to exercise of stock options (refer note 42(a))	0.16
<b>Balance as at March 31, 2020</b>	<b>895.65</b>
<b>Changes in equity share capital during the year</b>	
- Shares issued pursuant to exercise of stock options (refer note 42(a))	1.16
<b>Balance as at March 31, 2021</b>	<b>896.81</b>

## B. Other equity

Particulars	Reserves and Surplus					Items of other comprehensive income				Total
	Capital reserve	Securities premium account	Reserve for Business Restructure (BR)	Capital redemption reserve	Share options outstanding account	General reserve	Retained earnings	Effective portion of cash flow hedge	Re-measurement of the defined benefit liabilities / (assets)	
<b>Balance as at March 31, 2019</b>	123.67	17,000.81	3,846.38	601.61	75.70	3,842.72	6,121.88	123.64	(102.87)	31,633.54
Adjustments pursuant to scheme of Merger	77.12	210.62	-	-	-	-	(533.58)	-	(1.26)	(247.10)
<b>Balance as at April 1, 2019 post merger impact</b>	<b>200.79</b>	<b>17,211.43</b>	<b>3,846.38</b>	<b>601.61</b>	<b>75.70</b>	<b>3,842.72</b>	<b>5,588.30</b>	<b>123.64</b>	<b>(104.13)</b>	<b>31,386.44</b>
Profit for the year	-	-	-	-	-	-	1,202.75	-	-	1,202.75
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	(336.08)	(20.06)	(356.14)
<b>Total comprehensive income</b>	-	-	-	-	-	-	<b>1,202.75</b>	<b>(336.08)</b>	<b>(20.06)</b>	<b>846.61</b>
Dividend (including tax on dividend)	-	-	-	-	-	-	(1,563.01)	-	-	(1,563.01)
Issue of shares on exercise of stock options	-	7.56	-	-	(2.92)	-	-	-	-	4.64
Employee stock compensation expenses	-	-	-	-	17.53	-	-	-	-	17.53
Transferred to general reserve on stock options lapse	-	-	-	-	(33.07)	33.07	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>200.79</b>	<b>17,218.99</b>	<b>3,846.38</b>	<b>601.61</b>	<b>57.24</b>	<b>3,875.79</b>	<b>5,228.04</b>	<b>(212.44)</b>	<b>(124.19)</b>	<b>30,692.21</b>
Profit for the year	-	-	-	-	-	-	782.40	-	-	782.40
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	254.44	(15.19)	239.25
<b>Total comprehensive income</b>	-	-	-	-	-	-	<b>782.40</b>	<b>254.44</b>	<b>(15.19)</b>	<b>1,021.65</b>

# Standalone Statement of Changes in Equity

For the years ended March 31, 2021 and March 31, 2020

Particulars	Reserves and Surplus					Items of other comprehensive income				Total
	Capital reserve	Securities premium account	Reserve for Business Restructure (BR)	Capital redemption reserve	Share options outstanding account	General reserve	Retained earnings	Effective portion of cash flow hedge	Re-measurement of the defined benefit liabilities / (assets)	
<b>Balance as at March 31, 2021</b>	<b>200.79</b>	<b>17,272.67</b>	<b>3,846.38</b>	<b>601.61</b>	<b>47.20</b>	<b>3,881.20</b>	<b>5,831.30</b>	<b>42.00</b>	<b>(139.38)</b>	<b>31,583.77</b>
Dividend	-	-	-	-	-	-	(179.14)	-	-	(179.14)
Issue of shares on exercise of stock options	-	53.68	-	-	(19.84)	-	-	-	-	33.84
Employee stock compensation expenses (including expenses cross charged to subsidiaries)	-	-	-	-	15.21	-	-	-	-	15.21
Transferred to general reserve on stock options lapse	-	-	-	-	(5.41)	5.41	-	-	-	-

The accompanying notes are an integral part of the Standalone financial statements

As per our report of even date attached for and on behalf of Board of Directors of Strides Pharma Science Limited

 Chartered Accountants  
 Firm Registration Number: 101248W/W-100022

**Sampad Guha Thakurta**  
 Partner  
 Membership Number 060573  
 Bengaluru, May 27, 2021

**Dr. R. Ananthanarayanan**  
 Managing Director & CEO  
 DIN: 02231540

**Manjula R.**  
 Company Secretary  
 Membership Number A30515

**Badree Komandur**  
 Executive Director - Finance & Group CFO  
 DIN: 07803242

# Statement of Cash Flow

For the year ended March 31, 2021

	₹ in Million	
	March 31, 2021	March 31, 2020 (Restated)
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	1,116.35	1,364.45
<b>Adjustments for:</b>		
- Depreciation and amortisation expense	993.42	942.40
- (Gain)/loss on sale/write off of property, plant and equipment and other intangible assets (net)	(31.04)	1.40
- Gain on sale of non-current investment	(8.84)	-
- Share based compensation expense	64.92	15.87
- Interest expense	653.39	627.51
- Interest income	(126.05)	(164.50)
- Dividend income	(353.70)	(137.87)
- Income from current investment	(0.31)	(39.74)
- Rental income from investment property	(113.03)	(105.34)
- Liabilities no longer required written back	-	(40.51)
- Bad debts written off / provision for doubtful trade and other receivables	192.77	98.21
- Net unrealised exchange (gain)/loss	(130.07)	105.34
<b>Operating profit before working capital changes</b>	<b>2,257.81</b>	<b>2,667.22</b>
<b>Changes in working capital:</b>		
Increase in trade and other receivables	(1,733.10)	(881.18)
(Increase) / Decrease in inventories	(2,262.61)	164.89
Increase / (Decrease) in trade and other payables	2,897.62	(252.83)
<b>Net change in working capital</b>	<b>(1,098.09)</b>	<b>(969.12)</b>
<b>Cash generated from operations</b>	<b>1,159.72</b>	<b>1,698.10</b>
Income taxes refund / (paid), net	1,667.90	(321.75)
<b>Net cash flow generated from operating activities</b> <b>A</b>	<b>2,827.62</b>	<b>1,376.35</b>
<b>Cash flow from investing activities</b>		
Capital expenditure for property, plant and equipment and intangible assets, including capital advance	(887.40)	(704.76)
Proceeds from sale of property, plant and equipment and intangible assets	14.85	11.02
Investments in mutual funds	(150.00)	-
Proceeds from sale of investment in mutual funds	150.00	1,557.47
Investments in subsidiaries and associates	(2,369.95)	(1,784.82)
Proceeds from sale of non-current investments	162.80	551.00
Loan given	(451.46)	(766.60)
Loan recovered	355.06	539.26
Interest received (net of taxes)	169.64	128.90
Dividends received (net of taxes)	229.39	395.31
Rental income from investment property	121.29	107.81
Security deposits paid	(8.80)	(70.23)
(Investment)/Proceeds in fixed deposits with maturity of more than 3 months	(91.83)	663.97
<b>Net cash flow (utilised in) / generated from in investing activities</b> <b>B</b>	<b>(2,756.41)</b>	<b>628.33</b>

# Statement of Cash Flow

For the year ended March 31, 2021

	₹ in Million	
	March 31, 2021	March 31, 2020 (Restated)
<b>Cash flow from financing activities</b>		
Proceeds from issue of equity shares	35.00	4.80
Proceeds from long-term borrowings	1,926.45	-
Repayment of long-term borrowings	(77.57)	(2.11)
(Repayment)/Proceeds from short-term borrowings (net)	(1,406.02)	187.82
Dividends paid (net of taxes)	(179.15)	(1,538.91)
Lease payments	(144.34)	(138.13)
Interest paid on borrowings	(640.75)	(549.05)
<b>Net cash utilised in financing activities</b> <b>C</b>	<b>(486.38)</b>	<b>(2,035.58)</b>
<b>Net decrease in cash and cash equivalents during the year</b> <b>(A+B+C)</b>	<b>(415.17)</b>	<b>(30.90)</b>
Cash and cash equivalents at the beginning of the year	668.20	699.10
<b>Cash and cash equivalents at the end of the year*</b>	<b>253.03</b>	<b>668.20</b>
<b>* Comprises:</b>		
Cash on hand	2.18	1.79
<b>Balance with banks:</b>		
- In current accounts	69.85	319.97
- In EEFC accounts	-	7.32
- In deposit accounts	-	250.71
- Funds-in-transit	181.00	88.41
<b>Total</b>	<b>253.03</b>	<b>668.20</b>

The accompanying notes are an integral part of the Standalone financial statements

As per our report of even date attached

 for **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W/W-100022

**for and on behalf of Board of Directors of Strides Pharma Science Limited**
**Dr. R. Ananthanarayanan**

Managing Director &amp; CEO

DIN: 02231540

**Badree Komandur**

Executive Director - Finance &amp; Group CFO

DIN: 07803242

**Sampad Guha Thakurta**

Partner

Membership Number 060573

Bengaluru, May 27, 2021

**Manjula R.**

Company Secretary

Membership Number A30515

# Notes

forming part of the standalone financial statements for the year ended March 31, 2021

## Note No.01 General information

Strides Pharma Science Limited ('Strides') is a pharmaceutical company domiciled in India, with its registered office situated at 201, Devavrata, Sector 17, Vashi, Navi Mumbai – 400703 and corporate office in Bengaluru, India. Strides has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. Strides develops and manufactures a wide range of IP-led niche pharmaceutical products.

On July 29, 2019, the Board of Directors of Strides approved the Scheme of Amalgamation ('the Scheme') u/s 230 to 232 of the Companies Act, 2013, between Strides ('the transferee Company'), Strides Emerging Market Limited, Arrow Remedies Private Limited, and Fagris Medica Private Limited (together referred to as "the transferor Companies") with an appointed date of April 1, 2019. The transferee Company along with the transferor Companies collectively are referred as 'the Company' in these financial statements. The Scheme was approved by the National Company Law Tribunal (NCLT), Bangalore Bench vide order dated May 28, 2020 and by the NCLT, Maharashtra Bench vide order dated November 6, 2020. Further, the regulatory filing for the scheme with Ministry of Corporate Affairs was done on December 1, 2020 (Refer note 37).

## Note No.02 Basis of preparation of financial statements

### 2.1 Statement of compliance

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015, as amended, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The standalone financial statements were approved by the Board of Directors and authorised for issue on May 27, 2021

### 2.2 Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest million, unless otherwise indicated.

### 2.3 Basis of measurement

These standalone financial statements have been prepared on the historical cost basis, except for the following items:

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- Net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligations; and
- Equity settled and cash settled share based payments that are measured at fair value.

### 2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

#### 2.4.1 Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 2.2 — Assessment of functional currency;
- Note 3.2 — Revenue recognition: whether revenue from sale of product and services is recognised overtime or at a point of time;
- Note 3.15 and 47 — Financial instruments;
- Note 3.9, 3.10 and 3.11— Useful lives of property, plant and equipment, investment property and intangible assets;
- Note 2.4.2 — Impairment of non financial assets;
- Note 43 — Measurement of defined benefit obligation; key actuarial assumptions;
- Note 42 — Share based payments;
- Note 3.8, 11, 33 and 41 (b) — Provision for income taxes and related tax contingencies and evaluation of recoverability of deferred tax assets.

# Notes

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## 2.4.2 Assumption and estimation uncertainty

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2021 is included in the following notes.

- Note 3.12.3 — Impairment testing of non-financial assets;
- Note 3.12.1 and 47 — Impairment testing of financial assets; and
- Note 3.14, 33 and 41 (b) — Provisions and contingent liabilities.

## 2.5 Operating cycle

As mentioned in para 1 above under 'Corporate information', the Company is into development and manufacture of pharmaceutical products. Based on the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 3 years to 5 years and 12 months relating to research and development activities and manufacturing of pharmaceutical products respectively. The above basis is used for classifying the assets and liabilities into current and non-current as the case may be.

## 2.6 Cash flow statement

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

## 2.7 Measurement of fair value

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 42 – Share based payment arrangements;
- Note 6 – Investment property and
- Note 47 – Financial instruments

## Note No.03 Significant accounting policies

### 3.1 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition-related costs are generally recognised in statement of profit and loss as incurred.

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At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date (see note 3.7.3); and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

### 3.1.1 Business combination under common control

The company has followed the guidance given under Appendix C of Ind AS 103 (Business combination of entities under common control), while preparing these standalone financial statements.

Business combination involving common control is accounted by using pooling of interest method.

The pooling of interest method is considered to involve the following:

- (i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- (ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.
- (iii) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. In this financial statement, the effect of transactions, when the entities are under common control, prior to the appointed date has been adjusted in the 'other equity'.

The identity of the reserves in the transferor companies has been maintained in the transferee company.

The difference, if any, between the amount 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 shall be transferred to capital reserve and should be presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

### 3.2 Revenue from contracts with customers

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A 5-step approach is used to recognise revenue as below:

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

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

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

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

#### 3.2.1 Sale of goods

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts

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and estimates of product returns, all of which are established at the time of sale.

The consideration received by the Company in exchange for its goods may be fixed or variable. Variable consideration is only recognised when it is considered highly probable that a significant revenue reversal will not occur once the underlying uncertainty related to variable consideration is subsequently resolved.

### Profit share revenues

The Company from time to time enters into marketing arrangements with certain business partners for the sale of its products in certain markets. Under such arrangements, the Company sells its products to the business partners at a base purchase price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base purchase price. The profit share is typically dependent on the business partner's ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement. Such arrangements typically require the business partner to provide confirmation of units sold and net sales or net profit computations for the products covered under the arrangement.

Revenue in an amount equal to the base purchase price is recognised in these transactions upon delivery of products to the business partners. An additional amount representing the profit share component is recognised as revenue in the period which corresponds to the ultimate sales of the products made by business partners only when the collectability of the profit share becomes probable and a reliable measurement of the profit share is available. Otherwise, recognition is deferred to a subsequent period pending satisfaction of such collectability and measurability requirements. In measuring the amount of profit share revenue to be recognised for each period, the Company uses all available information and evidence, including any confirmations from the business partner of the profit share amount owed to the Company, to the extent made available before the date the Company's Board of Directors authorises the issuance of its financial statements for the applicable period.

### Sale to distributors

The Company appoints distributors in various territories who purchases the goods from the Company and thereafter sells them in the territory. In case the distributor is acting as an agent, the Company defers revenue recognition till the time

goods are sold by the distributor to the end customer. On the other hand, if the distributor is principal, revenue is recognised upon the transfer of control over the goods to the distributor.

### Right to reject or return goods

The Company also sells its products to the customers with a right to return the goods within the specified period of time. If the probability of acceptance by the customer is uncertain, recognition of revenue is deferred till the expiry of right to return or acceptance by the customer whichever is earlier.

### Price variations / Incentives

Incentives are accounted based on the assessment of whether the beneficiary (of the incentive) is acting as a principal or an agent. Where the beneficiary is a principal, the incentive is regarded as consideration paid to the customer and is reduced from revenue.

However, where the beneficiary is an agent, the incentive payment is recognised as an expense as the same is in the nature of commission.

### Chargebacks / Reptos claims by the wholesalers / distributors and Price Protections

Chargebacks and reptos claims are estimated on the basis of the average trend of the past periods and recognised as reduction to revenue.

### 3.2.2 Sale of services

Revenue from services rendered, which primarily relate to contract research, is recognised in the statement of profit and loss as the underlying services are performed. Upfront payments received under these arrangements are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

### 3.2.3 Royalty, sale of licenses and Intellectual property rights

The Company enters into certain dossier sales, royalties, licensing and supply arrangements with various parties. Income from licensing arrangements is generally recognised over the term of the contract. Some of these arrangements include certain performance obligations by the Company. Revenue from such arrangements is recognised in the period in which the Company completes all its performance obligations.

### 3.2.4 Export incentives

Export incentives are accrued for based on fulfilment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same. These incentives include estimated realisable

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values/benefits from special import licenses and benefits under specified schemes as applicable.

### 3.2.5 Rental income

The Company's policy for recognition of revenue from operating leases is described in note 3.3.1 below.

### 3.2.6 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 3.3 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in Ind AS 116.

#### 3.3.1 The Company as lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative standalone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if

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the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company's significant leasing arrangements are mainly in respect of factory land and buildings, residential and office premises.

#### 3.3.2 The Company as lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Company recognises lease payments received under operating leases as income on a straightline basis over the lease term.

#### Transition

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019).

### 3.4 Foreign currencies transactions and translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalised as cost of assets.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated. Income and expense items in foreign currency are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

### 3.5 Borrowing costs

#### Borrowing costs include:

- (i) interest expense calculated using the effective interest rate method,
- (ii) finance charges in respect of finance leases, and
- (iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.



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Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

### 3.6 Employee benefits

#### 3.6.1 Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

#### 3.6.2 Post-employment benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognised in the standalone balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

#### 3.6.3 Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using the projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

### 3.7 Share-based payment arrangements

#### 3.7.1 Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

#### 3.7.2 Cash settled share-based payment transactions of the Company

The fair value of the amount payable to employees in respect of cash settled share based payments is recognised as an expense with the corresponding increase in liabilities, over the period during which the employees becoming unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the underlying options. Any changes in the liability are recognised in the statement of profit or loss.

#### 3.7.3 Share-based payment transactions of the acquiree in a business combination

When the share-based payment awards held by the employees of an acquiree (acquiree awards) are replaced by the Company's share-based payment awards (replacement awards), both the acquiree awards and the replacement awards are measured

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in accordance with Ind AS 102 ("market-based measure") at the acquisition date. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals the market-based measure of the acquiree awards multiplied by the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the acquiree award. The excess of the market-based measure of the replacement awards over the market-based measure of the acquiree awards included in measuring the consideration transferred is recognised as remuneration cost for post-combination service.

However, when the acquiree awards expire as a consequence of a business combination and the Company replaces those awards when it does not have an obligation to do so, the replacement awards are measured at their market-based measure in accordance with Ind AS 102. All of the market-based measure of the replacement awards is recognised as remuneration cost for post-combination service.

### 3.8 Taxation

Income tax expense represents the sum of current tax and deferred tax.

#### 3.8.1 Current tax

Current tax is calculated based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### 3.8.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In

addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### 3.9 Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for

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qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed to be different and are as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Dies and punches : 4 years  
Mobile phones : 3 years  
Certain factory buildings : 18 years

Freehold land is not depreciated.

Asset held under finance leases are depreciated as per Ind AS 116.

Individual assets costing less than ₹ 5,000 are depreciated in full in the year of purchase.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

### Asset held for sale

The company categorises Non-current assets and liabilities as "held for sale", when there is a proposal/intention to sell an asset or group of assets in its present condition.

The assets held for sale are carried at cost or fair value less costs related to disposal, which ever is lower and are not subject to depreciation.

### 3.10 Investment property

Properties that is held for long-term rentals or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of the investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property are depreciated using the straight line method over their estimated useful lives. Investment properties generally have a useful life of 25-60 years. The useful life has been determined based on technical evaluation performed by the management's expert.

### 3.11 Intangible assets

#### 3.11.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses, if any. Intangible assets with indefinite useful lives are not amortised and tested for impairment annually.

#### 3.11.2 Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

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- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

#### 3.11.3 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

#### 3.11.4 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

#### 3.11.5 Useful lives of intangible assets

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Registration and Brands : 10 years to 25 years  
Software Licenses : 5 years

### 3.12 Impairment of assets

#### 3.12.1 Impairment of financial assets:

The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

#### 3.12.2 Impairment of investment in subsidiaries and associates

The Company reviews its carrying value of investments in subsidiaries and associates at cost, annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

#### 3.12.3 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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.

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Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

### 3.13 Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Cost is determined as follows:

Raw materials, packing materials and stores and spares: weighted average basis

Work-in progress: at material cost and an appropriate share of production overheads

Finished goods: material cost and an appropriate share of production overheads and excise duty, wherever applicable

Stock-in trade: weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

### 3.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### 3.14.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

#### 3.14.2 Contingent liabilities

Contingent liabilities are disclosed in notes when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

### 3.15 Financial instruments

#### 3.15.1 Investment in subsidiaries and associates

The Company has accounted for its investments in subsidiaries and associates joint ventures at cost less impairment.

#### 3.15.2 Other financial assets and financial liabilities

Other financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments.

##### Initial recognition and measurement:

Other financial assets and financial liabilities are initially measured at fair value. Transaction costs

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that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

##### Subsequent measurement:

##### Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

##### Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

##### Financial liabilities

Financial liabilities are measured at amortised cost using effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### 3.15.3 Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments

recognised by the Company are recognised at the proceeds received net off direct issue cost.

#### 3.15.4 Financial guarantee contracts

The Company enters into financial guarantee contracts with its subsidiaries and associates. At the inception of a financial guarantee contract, a liability is recognised initially at fair value and then subsequently at the higher of the estimated loss and amortised cost, the changes in subsequent measurement being recognised in the Statement of Profit and Loss. Where a guarantee is issued for a consideration, a financial asset of an amount equal to the liability is initially recognised at amortised cost. Where a guarantee is issued for no consideration, the fair value is recognised as additional investment in the entity to which the guarantee relates.

#### 3.15.5 Derivative financial instruments and hedge accounting

The Company uses various derivative financial instruments such as interest rate swaps, currency swaps and forward contracts to mitigate the risk of changes in interest rates and foreign exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to the Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

##### a) Cash flow hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective

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portion of changes in the fair value of the derivative is recognised in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

### b) Fair value hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

### 3.16 Exceptional items

When an item of income or expense within profit or loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

### 3.17 Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and on hand and short-term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible into

known amounts of cash and which are subject to insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

### 3.18 Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented in case of share splits.

### 3.19 Standards / amendments not yet effective

Ministry of Corporate Affairs ('MCA') issued notifications dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting April 1, 2021. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

## Note No.04 Property, plant and equipment

# Notes

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Particulars	Gross block		Accumulated depreciation		Net block	
	As at April 1, 2020	As at March 31, 2021	As at April 1, 2020	As at March 31, 2021	As at April 1, 2020	As at March 31, 2021
Tangible assets:						
Land:						
- Freehold	848.10	848.10	-	-	-	848.10
- Leasehold	814.05	848.10	49.05	-	-	848.10
Buildings	1,464.85	1,447.24	2.39	70.22	398.41	1,048.83
Plant and equipments	1,208.12	1,464.85	149.85	71.80	348.19	1,116.66
Furniture and fixtures	4,427.00	5,099.13	699.69	449.37	2,337.97	2,761.16
Vehicles	3,728.56	4,427.00	235.70	445.34	1,909.73	2,517.27
Office equipments	143.07	156.20	9.27	13.24	86.47	69.73
	111.36	143.07	9.27	12.88	73.23	69.84
	37.66	33.34	5.82	4.70	14.30	19.04
	27.11	37.66	10.55	3.49	15.43	22.23
	553.25	675.32	122.87	0.80	418.96	256.36
	537.34	553.25	7.22	80.78	326.94	226.31
<b>Total</b>	<b>7,522.06</b>	<b>8,307.46</b>	<b>843.90</b>	<b>630.35</b>	<b>47.76</b>	<b>5,051.35</b>
Previous year	6,474.67	7,522.06	451.09	614.29	2,028.74	4,848.54

\* Represents reclassified to right-of-use assets (ROU). The asset to ROU has been reclassified as on April 1, 2019 pursuant to adoption of Ind AS 116 (refer note 5).

### Notes:

- (i) Figures in italics relate to previous year.
- (ii) The above assets other than to the extent mentioned in notes (iii) below are owned by the Company.
- (iii) In 2008, the Company had entered into a lease cum sale agreement with Karnataka Industrial Area Development Board ('KIADB') for purchase of land under a lease cum sale agreement. The Company is in the process of transferring the said land in its name.
- (iv) Addition during the year includes capital expenditure towards research and development of ₹ 65.47 Million (as at March 31, 2020: ₹ 13.77 Million).
- (v) Properties, plant and equipment are pledged as security
  - towards borrowings by subsidiary
  - towards term loan (first pari passu charge) and working capital borrowings (second pari passu charge) by the Company.
- (vi) The Board of Directors in their meeting held on September 20, 2019 approved the sale and transfer of the company's freehold land worth ₹ 15 million for sale consideration of ₹ 75 million. The sale deed was pending registration as on March 31, 2020 and accordingly the asset was classified as 'held for sale' in accordance with Ind AS as on March 31, 2020. During the year, the sale deed has been registered and accordingly asset sale has been completed.

# Notes

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## Note No.05 Leases

### (i) Right-of-use assets

Particulars	Gross block			Accumulated depreciation			Net block	
	As at April 1, 2020	Adjustment pursuant to the scheme of merger as on April 1, 2019 (refer note 37)	Reclassification* (on adoption of Ind AS 116)	As at April 1, 2020	Adjustment pursuant to the scheme of merger as on April 1, 2019 (refer note 37)	Reclassification* (on adoption of Ind AS 116)	As at March 31, 2021	As at April 1, 2021
Buildings	511.38	-	-	81.06	-	-	511.38	309.58
Office equipments	358.78	-	217.74	83.65	-	-	511.38	430.32
	87.99	-	-	87.99	-	-	87.99	-
	-	-	-	-	-	66.04	83.65	4.34
<b>Total</b>	<b>599.37</b>	<b>-</b>	<b>-</b>	<b>164.71</b>	<b>-</b>	<b>-</b>	<b>599.37</b>	<b>309.58</b>
Previous year	358.78	-	217.74	-	-	66.04	164.71	434.66

\* Reclassified from Property, plant and equipment as on April 1, 2019

### (ii) Lease Liabilities

Particulars	March 31, 2021	March 31, 2020 (Restated)
Current	146.63	104.45
Non- Current	238.58	385.21
<b>Total</b>	<b>385.21</b>	<b>489.66</b>

# Notes

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### (iii) Amounts Recognised in the statement of Profit or Loss

Particulars	March 31, 2021	March 31, 2020 (Restated)
Depreciation charge on Right-of-use asset		
Buildings	120.74	81.06
Office equipment	4.34	17.61
	<b>125.08</b>	<b>98.67</b>
Interest expense (Included in finance cost)	39.90	35.71
Other expenses relating to leases, not included in lease payments	38.57	20.16

### (iv) Total Cash outflow

Particulars	March 31, 2021	March 31, 2020 (Restated)
Buildings	144.34	115.93
Office Equipment	-	22.20
	<b>144.34</b>	<b>138.13</b>

### Note No.06 Investment property

Particulars	Gross block			Accumulated depreciation			Net block			
	As at April 1, 2020	Adjustment pursuant to the scheme of merger as on April 1, 2019 (refer note 37)	Additions	Disposals	As at April 1, 2020	Adjustment pursuant to the scheme of merger as on April 1, 2019 (refer note 37)	Depreciation for the year	Disposals	As at March 31, 2021	As at March 31, 2021
Land	147.27	-	-	-	-	-	-	-	-	147.27
	147.27	-	-	-	-	-	-	-	-	147.27
Building	812.97	-	-	-	236.67	-	45.22	-	281.89	531.08
	812.97	-	-	-	191.44	-	45.23	-	236.67	576.30
<b>Total</b>	<b>960.24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>236.67</b>	<b>-</b>	<b>45.22</b>	<b>-</b>	<b>281.89</b>	<b>678.35</b>
Previous year	960.24	-	-	-	191.44	-	45.23	-	236.67	723.57

#### Notes:

(i) Figures in italics relates to previous year.

### (ii) Details of assets given under an operating lease

Particulars	Gross block		Net block	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Freehold Land	147.27	147.27	147.27	147.27
Buildings	812.97	812.97	531.08	576.30
<b>Total</b>	<b>960.24</b>	<b>960.24</b>	<b>678.35</b>	<b>723.57</b>

## Notes

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### (iii) Fair value of investment properties

The fair value of the Company's investment properties as at March 31, 2021 has been arrived at ₹ 1,579 Million (as at March 31, 2020 : ₹ 2,021 Million) on the basis of a valuation carried out by independent valuers. The said valuers are registered with the authority which governs valuers in India and have appropriate qualifications and relevant experience in the valuation of properties in the relevant locations.

The fair value has been categorised as level 3 hierarchy based on the inputs used in valuation technique. The inputs used are as follows:

- Monthly market rent, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the property; and
- Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition.

### (iv) Investment properties are pledged as security

- towards borrowings by subsidiary
- towards term loan (first pari passu charge) and working capital borrowings (second pari passu charge) by the Company.

### (v) Amounts recognised in profit or loss for investment properties

	₹ in Million	
	March 31, 2021	March 31, 2020
Rental income	73.78	73.85
Depreciation	(45.22)	(45.23)
<b>Profit from investment properties</b>	<b>28.56</b>	<b>28.62</b>

## Notes

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### Note No.07 Other intangible assets

Particulars	Gross block					Accumulated amortisation					Net block	
	As at April 1, 2020	Adjustment pursuant to the scheme of merger as on April 1, 2019 (refer note 37)	Additions	Disposals	As at March 31, 2021	As at April 1, 2020	Adjustment pursuant to the scheme of merger as on April 1, 2019 (refer note 37)	Amortisation for the year	Disposals	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021
- Internally generated:												
- Registrations and brands*	360.26	-	29.73	4.20	385.79	167.94	-	53.94	0.21	221.67	164.12	164.12
- Software and licenses	298.48	-	98.69	36.91	360.26	130.66	-	54.58	17.30	167.94	192.32	192.32
	755.73	-	72.36	-	828.09	447.72	-	138.83	-	586.55	241.54	241.54
	691.58	0.55	84.60	21.00	755.73	338.02	0.43	129.63	20.36	447.72	308.01	308.01
<b>Total</b>	<b>1,115.99</b>	<b>-</b>	<b>102.09</b>	<b>4.20</b>	<b>1,213.88</b>	<b>615.66</b>	<b>-</b>	<b>192.77</b>	<b>0.21</b>	<b>808.22</b>	<b>405.66</b>	<b>405.66</b>
Previous year	990.06	0.55	183.29	57.91	1,115.99	468.68	0.43	184.21	37.66	615.66	500.33	500.33

\* Additions represents product development expenditure capitalised during the year

#### Notes:

(i) Figures in italics relate to previous year.

## Notes

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### Note No.08 Investments

Investments consist of the following:

#### Investments - Non-current

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
<b>(A) Investments in subsidiaries: (Carried at cost)</b>		
<b>Equity shares, unquoted</b>		
- 30,306,148 (As at March 31, 2020: 28,526,329) shares of GBP 1 each fully paid up in Strides Arcolab International Limited, UK	5,322.52	4,467.74
- 438,000 (As at March 31, 2020: 438,000) shares of USD 1 each fully paid up in Strides Pharma International Limited, Cyprus	23.13	23.13
- 142 (As at 31 March, 2020: 142) shares of SGD 1 each fully paid up in Strides Pharma Asia Pte Limited, Singapore	11,476.68	11,476.68
- 12,788,136 (As at March 31, 2020: 12,788,136) shares of CHF 1 each fully paid up in SVADS Holdings SA, Switzerland	466.59	466.59
- 160,000 (As at March 31, 2020: 160,000) shares of ₹ 10 each fully Paid up in Arcolab Private Limited, India	1.60	1.60
- 28,266,880 (As at March 31, 2020: 28,266,880) shares of ₹ 10 each fully paid up in Vivimed Life Sciences Private Limited, India	1,347.42	1,347.42
<b>Compulsorily Convertible Preference shares, unquoted</b>		
- Nil (As at March 31, 2020: 9,122) preference shares of GBP 1,000 each fully paid up in Strides Arcolab International Limited, UK *	-	854.78
<b>Total (A)</b>	<b>18,637.94</b>	<b>18,637.94</b>
<b>(B) Investments in associates:</b>		
<b>Equity shares, unquoted (Carried at cost)</b>		
- 739,288 (As at March 31, 2020: 451,822) shares of ₹ 10 each fully paid up in Stelis Biopharma Private Limited, India (refer note (a), (b) and (c) below)	5,308.55	2,913.59
- Nil (As at March 31, 2020: 1,000) shares of ₹ 100 each fully paid up in Strides Consumer Private Limited, India (refer note (d) below)	-	0.10
<b>Compulsorily Convertible Preference shares, unquoted (Carried at cost)</b>		
- Nil (As at 31 March, 2020: 1,538,615) shares of ₹ 100 each fully paid up in Strides Consumer Private Limited, India (refer note (d) below)	-	153.86
<b>Total (B)</b>	<b>5,308.55</b>	<b>3,067.55</b>
<b>Total [A+B]</b>	<b>23,946.49</b>	<b>21,705.49</b>
Aggregate amount of unquoted investments	23,946.49	21,705.49
Aggregate amount of impairment in value of investments	-	-

\*Converted into equity shares.

Refer Note 39 for disclosures with respect to section 186(4) of Companies Act, 2013. Refer note 44 for related party transactions.

#### Note:

- a) In the previous year, the Company's Board approved a proposal to additionally invest an amount up to USD 40 million in Stelis Biopharma Private Limited ("Stelis"), with an intent to raise its equity holding beyond 50% in the shares of Stelis over a period of 24 months. Pursuant to this, during the year, the Company has invested ₹ 2,394.96 Million (approx. USD 32 million) (₹ 605 Million (approx. USD 8 million) in previous year). Also during the previous year, the Company had invested ₹ 300 million in Compulsorily Convertible Preference Shares ('CCPS') of Stelis.
- b) On February 4, 2021, the Board of Directors of the Company have approved in principle the demerger of its bio-pharma business under Stelis Biopharma Private Limited. The transaction is subject to approval from shareholders, meeting customary closing conditions.

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- c) 407,065 (As at March 31, 2020: 216,518) equity shares are pledged against borrowings taken by Stelis Biopharma Private Limited from a financial institution.

- d) During the year, the company transferred 26.01% of shares holding (1,000 Equity shares and 1,538,615 class B Compulsorily Convertible Preference Shares (CCPS)) in Strides Consumer Private Limited, India to Strides Global Consumer Healthcare Ltd, UK, for cash consideration of ₹ 162.80 million, resulting in a gain on sale of investment of ₹ 8.84 million.

### Note No.9 Loans receivable

Loans consist of the following:

#### (i) Long-term loans receivable

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
<b>Unsecured, Considered good:</b>		
Security deposits *	214.59	207.76
Loans to:		
- Related parties (Refer note 44)	852.21	755.80
<b>Total</b>	<b>1,066.80</b>	<b>963.56</b>

\* Includes security deposit given to related parties (Refer note 44)

#### (ii) Short-term loans receivable

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
<b>Unsecured, Considered good:</b>		
Loans to:		
- Employees	35.66	23.97
<b>Total</b>	<b>35.66</b>	<b>23.97</b>

### Note No.10 Other financial assets

Other financial assets consist of the following:

#### (i) Non-current financial assets

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
<b>Application money paid towards securities to associate</b>		
- Stelis Biopharma Private Limited	-	25.00
Fixed deposits with banks	2.77	6.66
<b>Total</b>	<b>2.77</b>	<b>31.66</b>

## Notes

forming part of the standalone financial statements for the year ended March 31, 2021

### (ii) Current financial assets

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
<b>Unsecured, considered good:</b>		
Receivables from related parties (Refer note 44)	110.58	281.44
Interest accrued on loans given (Refer note 44)	21.53	65.11
Derivative asset	64.54	6.28
Others:		
- Dividend receivable from subsidiaries (Refer note 44)	124.63	-
- Gratuity claim receivables	23.11	8.99
- Others	20.38	24.47
<b>Total</b>	<b>364.77</b>	<b>386.29</b>

### Note No.11 Deferred tax balances

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
Deferred tax assets	1,181.42	1,445.69
Deferred tax liabilities	(429.31)	(441.31)
<b>Deferred tax assets</b>	<b>752.11</b>	<b>1,004.38</b>

2020-2021	Opening balance	Recognised in equity	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax (liabilities)/assets in relation to:</b>					
Cash flow hedges	114.10	-	-	(136.66)	(22.56)
Property, plant and equipment and Intangible assets	(441.31)	-	34.56	-	(406.75)
Employee benefits	196.62	-	25.25	8.16	230.03
Merger related expenses	3.93	-	1.20	-	5.13
Leases	19.23	-	7.21	-	26.44
Allowance for credit loss	59.63	-	27.18	-	86.81
Others	(11.12)	-	16.09	-	4.97
	<b>(58.92)</b>	<b>-</b>	<b>111.49</b>	<b>(128.50)</b>	<b>(75.93)</b>
MAT Credit entitlement	954.37	-	(126.33)	-	828.04
Tax losses	108.93	-	(108.93)	-	-
<b>Total</b>	<b>1,004.38</b>	<b>-</b>	<b>(123.77)</b>	<b>(128.50)</b>	<b>752.11</b>

## Notes

forming part of the standalone financial statements for the year ended March 31, 2021

2019-20 (Restated)	Opening balance	Recognised in equity	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax (liabilities)/assets in relation to:</b>					
Cash flow hedges	(66.42)	-	-	180.52	114.10
Property, plant and equipment and Intangible assets	(375.11)	-	(66.20)	-	(441.31)
FVTPL financial assets	(4.70)	-	4.70	-	-
Employee benefits	194.27	-	(9.06)	11.41	196.62
Merger related expenses	13.39	-	(9.46)	-	3.93
Leases	-	20.93	(1.70)	-	19.23
Allowance for credit loss	32.23	-	27.40	-	59.63
Others	16.47	-	(27.59)	-	(11.12)
	<b>(189.87)</b>	<b>20.93</b>	<b>(81.91)</b>	<b>191.93</b>	<b>(58.92)</b>
MAT Credit entitlement	989.93	-	(35.56)	-	954.37
Tax losses	1.16	-	107.77	-	108.93
<b>Total</b>	<b>801.22</b>	<b>20.93</b>	<b>(9.70)</b>	<b>191.93</b>	<b>1,004.38</b>

Under the Indian Income Tax Act, 1961, the Company is liable to pay Minimum Alternate Tax (MAT). MAT paid can be carried forward for a certain period and can be set off against the future tax liabilities. MAT is recognised as deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefits associated with the asset will be realised.

### Note No.12 Income tax assets (net)

The income tax assets consists of the following:

#### Non-current income tax assets

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
Advance income tax (net of provisions)	681.40	737.02
Income tax paid under protest	593.77	593.77
<b>Total</b>	<b>1,275.17</b>	<b>1,330.79</b>

### Note No.13 Other assets

Other assets (unsecured) consist of the following:

#### (i) Other non-current assets

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
<b>Considered good:</b>		
- Capital advances	105.50	54.10
- Prepaid expenses	41.54	49.59
- Lease equalisation asset	2.18	13.55
<b>Balances with Government authorities:</b>		
- VAT credit	-	1.36
- Indirect taxes paid under protest	25.78	24.42
<b>Others:</b>		
- Receivable from KIADB	4.79	4.79
<b>Total</b>	<b>179.79</b>	<b>147.81</b>



## Notes

forming part of the standalone financial statements for the year ended March 31, 2021

### (ii) Other current assets

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
<b>Considered good:</b>		
Advances to suppliers	125.16	200.35
Advances to employees	0.32	3.18
Advances to related parties (refer note 44)	-	3.23
Advances to others	7.55	10.53
Prepaid expenses	236.00	165.30
Incentives receivables	195.69	214.03
Balances with Government authorities	635.55	650.10
<b>Total</b>	<b>1,200.27</b>	<b>1,246.72</b>

### Note No.14 Inventories\*

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
Raw materials (including goods in transit)	4,351.00	3,308.93
Work-in-progress	309.47	487.99
Finished goods	1,999.95	653.01
Stock-in-trade	17.49	10.57
Stores and spares	212.89	167.69
<b>Total</b>	<b>6,890.80</b>	<b>4,628.19</b>

\* Refer note 3.13 for mode of valuation of inventories.

### Note No.15 Trade receivables

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
<b>Unsecured</b>		
Considered good *	8,216.65	6,556.13
Credit impaired	248.42	170.65
	<b>8,465.07</b>	<b>6,726.78</b>
Less: Allowance for credit loss	(248.42)	(170.65)
<b>Total</b>	<b>8,216.65</b>	<b>6,556.13</b>

\*Includes receivables from related parties (Refer note 44)

Refer note 47.5 for further information on allowance for credit loss.

The Company has availed bill discounting facilities from the banks which do not meet the derecognition criteria for transfer of contractual rights to receive cash flows from the respective trade receivables since they are with recourse to the Company. Accordingly as at March 31, 2021, trade receivables balances include ₹ 864.14 Million (As at March 31, 2020: ₹ 1,086.50 Million) and the corresponding financial liability to the banks is included as part of working capital loan under short- term borrowings.

## Notes

forming part of the standalone financial statements for the year ended March 31, 2021

### Note No.16 Cash and cash equivalents

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
Cash on hand	2.18	1.79
<b>Balances with banks:</b>		
- In current accounts	69.85	319.97
- In EEFC accounts	-	7.32
- In deposit accounts (Original maturity less than 3 months)	-	250.71
- Funds-in-transit	181.00	88.41
<b>Total</b>	<b>253.03</b>	<b>668.20</b>

The disclosures regarding details of specified bank notes held and transacted during November 8, 2016 to December 30, 2016 have not been made since the requirement does not pertain to financial year ended 31 March 2021.

### Note No.17 Other balances with banks

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
- In deposit accounts (Original maturity more than 3 months but less than 12 months)	446.49	350.77
<b>In earmarked accounts:</b>		
- Unpaid dividend accounts	21.68	59.82
- Unpaid shares accounts	0.33	0.33
- Group gratuity accounts	1.26	1.26
- Balance held as margin money against working capital facilities with banks	7.63	18.61
<b>Total</b>	<b>477.39</b>	<b>430.79</b>

### Note No.18 Equity share capital

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
<b>Authorised</b>		
188,370,000 equity shares of ₹ 10/- each with voting rights (March 31, 2020: 188,370,000 Equity shares of ₹ 10/- each) (refer note 37)	1,883.70	1,883.70
	<b>1,883.70</b>	<b>1,883.70</b>
<b>Issued, subscribed and fully paid-up</b>		
89,680,964 equity shares of ₹ 10/- each with voting rights (March 31, 2020: 89,565,464 equity shares of ₹ 10/- each)	896.81	895.65
<b>Total</b>	<b>896.81</b>	<b>895.65</b>

## Notes

forming part of the standalone financial statements for the year ended March 31, 2021

### (i) Reconciliation of number of shares and amount outstanding

Particulars	March 31, 2021		March 31, 2020	
	No. of shares	₹ In Million	No. of shares	₹ In Million
<b>Equity share capital</b>				
Equity share of ₹ 10/- each				
<b>Balance at the beginning of the year</b>	<b>89,565,464</b>	<b>895.65</b>	<b>89,549,476</b>	<b>895.49</b>
Changes in equity share capital during the year				
- Shares issued pursuant to exercise of stock options (Refer note 42(a))	115,500	1.16	15,988	0.16
<b>Balance at the end of the year</b>	<b>89,680,964</b>	<b>896.81</b>	<b>89,565,464</b>	<b>895.65</b>

### (ii) Detail of the rights, preferences and restrictions attaching to each class of shares outstanding equity shares of ₹ 10/- each:

The Company has only one class of equity shares, having a par value of ₹ 10/-. The holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to approval by the shareholders at the ensuing annual general meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution to all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

### (iii) Details of equity shares held by each shareholder holding more than 5% of equity shares:

Particulars	March 31, 2021		March 31, 2020	
	No. of Shares	%	No. of Shares	%
Pronomz Ventures LLP	16,484,247	18.38%	12,665,000	14.14%
SBI Long Term Equity Fund	5,798,104	6.47%	6,808,080	7.60%
Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pharma & Healthcare Fund	6,251,740	6.97%	5,550,388	6.20%
Life Insurance Corporation of India	4,985,701	5.56%	3,250,000	3.63%

### (iv) Details of equity shares of ₹ 10/- each reserved for issuance:

Particulars	March 31, 2021	
	March 31, 2021	March 31, 2020
Towards employee stock options under the various Strides stock option plans (Refer note 42(a))	2,602,800	2,543,000
<b>Total</b>	<b>2,602,800</b>	<b>2,543,000</b>

### (v) Buy back of shares, issue of bonus shares and shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.

There have been no buy back of shares, issue of shares by way of bonus shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the Balance sheet date.

## Notes

forming part of the standalone financial statements for the year ended March 31, 2021

### Note No.19 Other equity

Particulars	Notes	₹ In Million	
		March 31, 2021	March 31, 2020 (Restated)
<b>(A) Reserves and Surplus</b>			
i) Capital reserve	19 (A) (i)	200.79	200.79
ii) Securities premium account			
Securities premium	19 (A) (ii) (a)	17,272.67	17,218.99
Reserve for Business Restructure (BRR)	19 (A) (ii) (b)	3,846.38	3,846.38
iii) Capital redemption reserve	19 (A) (iii)	601.61	601.61
iv) Share options outstanding account	19 (A) (iv)	47.20	57.24
v) General reserve	19 (A) (v)	3,881.20	3,875.79
vi) Retained earnings	19 (A) (vi)	5,831.30	5,228.04
<b>(B) Items of other comprehensive income</b>			
i) Effective portion of cash flow hedge	19 (B) (i)	42.00	(212.44)
ii) Remeasurement of the defined benefit liabilities / (assets)	19 (B) (ii)	(139.38)	(124.19)
<b>Total</b>		<b>31,583.77</b>	<b>30,692.21</b>

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
<b>(A) Reserves and surplus</b>		
<b>(i) Capital reserve</b>		
<b>Opening balance</b>	<b>200.79</b>	<b>123.67</b>
Add: Adjustment pursuant to the scheme of merger (refer note 37)	-	29.27
Add: Excess of the net assets (including reserves) recognised of the transferor companies over the carrying value of investments/purchase consideration, transferred to capital reserves, net (refer note 37)	-	47.85
<b>Adjusted opening balance</b>	<b>200.79</b>	<b>200.79</b>
Add: Movement during the year	-	-
<b>Closing balance</b>	<b>200.79</b>	<b>200.79</b>
<b>(ii) Securities premium account</b>		
<b>(a) Securities premium</b>		
<b>Opening balance</b>	<b>17,218.99</b>	<b>17,000.81</b>
Add: Adjustment pursuant to the scheme of merger (refer note 37)	-	210.62
<b>Adjusted opening balance</b>	<b>17,218.99</b>	<b>17,211.43</b>
Add: Premium on shares issued during the year (Refer note 42(a))	53.68	7.56
<b>Closing balance</b>	<b>17,272.67</b>	<b>17,218.99</b>
<b>(b) Reserve for Business Restructure (BRR)</b>		
<b>Opening balance</b>	<b>3,846.38</b>	<b>3,846.38</b>
Add: Movement during the year	-	-
<b>Closing balance</b>	<b>3,846.38</b>	<b>3,846.38</b>
<b>Total Securities premium</b>	<b>21,119.05</b>	<b>21,065.37</b>
<b>(iii) Capital redemption reserve</b>		
<b>Opening balance</b>	<b>601.61</b>	<b>601.61</b>
Add: Movement during the year	-	-
<b>Closing balance</b>	<b>601.61</b>	<b>601.61</b>

## Notes

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Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
<b>(iv) Share options outstanding account (Refer notes 42(a))</b>		
Opening balance	57.24	75.70
Add: Employee stock compensation expenses (including amounts cross charged to subsidiary)	15.21	17.53
Less: Transferred to securities premium account on exercise (net)	(19.84)	(2.92)
Less: Transferred to general reserve on lapse	(5.41)	(33.07)
<b>Closing balance</b>	<b>47.20</b>	<b>57.24</b>
<b>(v) General reserve</b>		
Opening balance	3,875.79	3,842.72
Add: Movement during the year	5.41	33.07
<b>Closing balance</b>	<b>3,881.20</b>	<b>3,875.79</b>
<b>(vi) Retained earnings</b>		
Opening balance	5,228.04	6,160.83
Less: Adjustment pursuant to the scheme of merger (refer note 37)	-	(552.28)
Add: Reversal of impairment loss pursuant to scheme of merger (refer note 37)	-	18.70
Less: Adjustments pursuant to adoption of Ind AS 116, (net of tax)	-	(38.95)
<b>Adjusted opening balance</b>	<b>5,228.04</b>	<b>5,588.30</b>
Add: Profit for the year	782.40	1,202.75
Less: Dividend on equity shares including taxes	(179.14)	(1,563.01)
<b>Closing balance</b>	<b>5,831.30</b>	<b>5,228.04</b>
<b>Total Reserves and surplus (A)</b>	<b>31,681.15</b>	<b>31,028.84</b>
<b>(B) Items of other comprehensive income</b>		
<b>(i) Effective portion of cash flow hedge</b>		
Opening balance	(212.44)	123.64
Add / (less): Movement during the year	391.10	(516.60)
Add / (less): Tax impact on above	(136.66)	180.52
<b>Closing balance</b>	<b>42.00</b>	<b>(212.44)</b>
<b>(ii) Remeasurement of the defined benefit liabilities / (assets) (Refer note 43)</b>		
Opening balance	(124.19)	(102.87)
Add: Adjustment pursuant to the scheme of merger (refer note 37)	-	(1.26)
<b>Adjusted opening balance</b>	<b>(124.19)</b>	<b>(104.13)</b>
Add / (less): Movement during the year	(23.35)	(31.47)
Add / (less): Tax impact on above	8.16	11.41
<b>Closing balance</b>	<b>(139.38)</b>	<b>(124.19)</b>
<b>Total items of other comprehensive income (B)</b>	<b>(97.38)</b>	<b>(336.63)</b>
<b>Other equity [(A) + (B)]</b>	<b>31,583.77</b>	<b>30,692.21</b>

### Nature and purpose of other reserve

#### (a) Capital reserve

Capital reserve is created on account of FCCB's, Mergers and acquisitions and Demergers. It is utilised in accordance with the provisions of the Companies Act, 2013.

#### (b) Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

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forming part of the standalone financial statements for the year ended March 31, 2021

#### (c) Reserve for Business Restructure

The Scheme of restructuring approved by the shareholders on April 13, 2009 included a Scheme of Arrangement that envisaged the creation of a Reserve for Business Restructure(BRR) as set out in the Scheme. The Reserve was to be utilised by December 31, 2012 for specified purposes by either the Company or its subsidiaries. The balance of ₹ 3,846.38 Million identified under the Securities Premium Account represents amounts utilised by the subsidiaries of the Company from the Reserve prior to December 31, 2012 and have been earmarked for set off on consolidation.

#### (d) Capital redemption reserve

Capital redemption reserve is a statutory, non-distributable reserve into which the amounts are transferred following the redemption or purchase of Company's own shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

#### (e) Share options outstanding account

The fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to employee stock options outstanding account. The amount of cost recognised is transferred to share premium on exercise of the related stock options.

#### (f) General reserve

General reserves are the retained earnings of a Company which are apportioned out of Company's profits. General reserve is a free reserve which can be utilised for any purpose after fulfilling certain conditions in accordance with the provisions of the Companies Act, 2013.

#### (g) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to other reserves, dividends or other distributions paid to its equity shareholders.

#### (h) Cash flow hedging reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses (net of taxes, if any) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges.

#### (i) Remeasurement of the defined benefit liabilities / (asset)

The cumulative balances of actuarial gain or loss arising on remeasurements of defined benefit plan is accumulated and recognised with in this component of other comprehensive income. Items included in actuarial gain or loss reserve will not be reclassified subsequently to statement of profit and loss.

### Note No.20 Borrowings

Borrowings consist of the following:

#### (i) Non-current borrowings

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
<b>Secured</b>		
- Term loans from banks (Refer note (i) to (iv) below)	632.00	-
- Term loans from others (Refer note (v) to (vi) below)	843.39	-
<b>Total</b>	<b>1,475.39</b>	<b>-</b>

## Notes

forming part of the standalone financial statements for the year ended March 31, 2021

### Details of security and terms of repayment for the non-current borrowings:

Terms of repayment and security	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
<b>(i) Term loans from banks: Loan 1</b>		
Long-term loan	2.86	-
Current maturities of long-term loan	1.06	1.52
Security: Hypothecation of assets procured from the term loans. Derived rate of interest: 7.0% to 8.0% p.a. Repayment terms: 36 to 60 monthly instalments. The outstanding term as at March 31, 2021 is 31 to 56 instalments.		
<b>(ii) Term loans from banks: Loan 2</b>		
Long-term loan	398.50	-
Current maturities of long-term loan	93.75	-
Security: Pari-Passu first charge on the fixed assets of the Company & second Pari-passu charge on the current assets of the Company Derived rate of interest: 9.0% p.a. to 10.0% p.a. Repayment terms: 48 equal monthly instalments commencing after 12 months from disbursement date. The outstanding term as at March 31, 2021 is 48 instalments.		
<b>(iii) Term loans from banks: Loan 3</b>		
Long-term loan	33.33	-
Current maturities of long-term loan	200.00	-
Security: Extension of first pari-passu charge on the entire current assets of the Company, both present and future, and extension of second pari-passu charge on all the fixed asset of the Company, both present and future, excluding land and building at CBD Belapur & Navi Mumbai Derived rate of interest: 7.0% p.a. to 8.0% p.a. Repayment terms: 18 equal monthly instalments after initial moratorium. The outstanding term as at March 31, 2021 is 14 instalments.		
<b>(iv) Term loans from banks: Loan 4</b>		
Long-term loan	197.31	-
Current maturities of long-term loan	-	-
Security: First pari-passu charge on the fixed asset of the Company excluding properties at CBD Belapur and Navi Mumbai and second pari-passu charge on the current assets of the Company Derived rate of interest: 9.5% p.a. to 10.0% p.a. Repayment terms: 48 equal monthly instalments after initial moratorium. The outstanding term as at March 31, 2021 is 48 instalments		
<b>(v) Term loans from others: Loan 1</b>		
Long-term loan	461.97	-
Current maturities of long-term loan	31.25	-
Security: Pari-Passu first charge on the fixed assets of the Company & second Pari-passu charge on the current assets of the Company Derived rate of interest: 9.5% p.a. to 10.5% p.a. Repayment terms: 60 equal monthly instalments from date of first disbursement. The outstanding term as at March 31, 2021 is 48 instalments.		
<b>(vi) Term loans from others: Loan 2</b>		
Long-term loan	381.42	-
Current maturities of long-term loan	52.92	-
Security: Pari-Passu first charge on the fixed assets of the Company (excluding land and building at Navi Mumbai). Derived rate of interest: 10.0 % p.a. to 11.0% p.a. Repayment terms: 20 quarterly structured instalments commencing after initial moratorium. The outstanding term as at March 31, 2021 is 19 instalments.		

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forming part of the standalone financial statements for the year ended March 31, 2021

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
Disclosed under long term borrowings	1,475.39	-
Disclosed under other current financial liabilities :		
- Current maturities of long-term loans	378.98	1.52
<b>Total</b>	<b>1,854.37</b>	<b>1.52</b>

### (ii) Current borrowings

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
<b>Current</b>		
<b>Secured loans repayable on demand from banks: (Refer note (a) below)</b>		
- Working capital loans	6,444.46	8,462.42
<b>Unsecured loans from others: (Refer note (b) below)</b>		
- Working capital loans	490.55	62.13
<b>Total</b>	<b>6,935.01</b>	<b>8,524.55</b>

#### Note:

(a) **Details of security for the secured loans repayable on demand:** Working capital and short term loans from banks are secured by first pari passu charge over current assets of the Company and second pari passu charge on movable and immovable fixed assets of the Company (other than land and building situated at Navi Mumbai).

Derived rate of interest ranges from 1.40% to 11.05%.

(b) Derived rate of interest ranges from 6% to 9% for unsecured loans from others.

### Net debt reconciliation

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
Non-current borrowings	1,475.39	-
Current borrowings	6,935.01	8,524.55
Current maturities of non-current borrowings	378.98	1.52
<b>Less:</b>		
Cash and cash equivalents	253.03	668.20
Balances in deposit accounts (Refer note 17)	446.49	350.77
Fixed deposit with bank - non current (Refer note 10(i))	2.77	6.66
<b>Net debt</b>	<b>8,087.09</b>	<b>7,500.44</b>

## Notes

forming part of the standalone financial statements for the year ended March 31, 2021

					₹ In Million
Reconciliation	Cash and cash equivalents	Balances in deposit accounts (including non current)	Non Current borrowings (including current maturities)	Current borrowings	Net Debt
<b>As on April 1, 2020</b>	<b>668.20</b>	<b>357.43</b>	<b>1.52</b>	<b>8,524.55</b>	<b>(7,500.44)</b>
Cash flows	(415.17)	91.83	1,926.45	(1,406.02)	(843.77)
Repayments	-	-	(77.57)	-	77.57
Foreign Exchange Fluctuation	-	-	-	(183.52)	183.52
Others	-	-	3.97	-	(3.97)
<b>As on March 31, 2021</b>	<b>253.03</b>	<b>449.26</b>	<b>1,854.37</b>	<b>6,935.01</b>	<b>(8,087.09)</b>

### Note No.21 Other financial liabilities

Other financial liabilities consist of the following:

#### (i) Other non-current financial liabilities

			₹ In Million
Particulars	March 31, 2021	March 31, 2020 (Restated)	
Security deposits*	39.59	36.90	
<b>Total</b>	<b>39.59</b>	<b>36.90</b>	

\* Includes security deposit received from related party (Refer note 44)

#### (ii) Other current financial liabilities

			₹ In Million
Particulars	March 31, 2021	March 31, 2020 (Restated)	
Current maturities of long-term loans (Refer note 20(i) above)	378.98	1.52	
Interest accrued but not due on borrowings	5.20	39.23	
Unclaimed dividends*	21.68	59.84	
Derivative liability	-	332.83	
Other payables:			
- Payables to employees under cash settled share based payment plan (Refer note 42(b))	52.80	-	
- Payable to related parties (Refer note 44)	32.81	27.50	
- Payables on purchase of property, plant and equipment and intangible assets**	277.61	153.13	
- Others	0.33	0.33	
<b>Total</b>	<b>769.41</b>	<b>614.38</b>	

\*Investor Education and Protection Fund shall be credited when due.

\*\* Includes payables to related parties (Refer note 44)

## Notes

forming part of the standalone financial statements for the year ended March 31, 2021

### Note No.22 Provisions

Provisions consist of the following:

#### (i) Non-current provisions

			₹ In Million
Particulars	March 31, 2021	March 31, 2020 (Restated)	
<b>Provision for employee benefits:</b>			
Gratuity (Refer note 43)	280.82	205.80	
<b>Total</b>	<b>280.82</b>	<b>205.80</b>	

#### (ii) Current provisions

			₹ In Million
Particulars	March 31, 2021	March 31, 2020 (Restated)	
Provision for sales return	11.72	12.10	
<b>Provision for employee benefits:</b>			
- Compensated absences	213.04	182.10	
- Gratuity	1.95	1.15	
<b>Total</b>	<b>226.71</b>	<b>195.35</b>	

					₹ In Million
Movement in provisions (2020-21)	Sales return	Gratuity	Compensated absences	Total	
<b>Opening balance</b>	12.10	206.95	182.10	401.15	
Provision recognised/ (utilised) during the year	(0.38)	75.82	30.94	106.38	
<b>Closing balance</b>	<b>11.72</b>	<b>282.77</b>	<b>213.04</b>	<b>507.53</b>	

					₹ In Million
Movement in provisions (2019-20) (Restated)	Sales return	Gratuity	Compensated absences	Total	
<b>Opening balance</b>	47.10	128.78	165.98	341.86	
Adjustment pursuant to the scheme of demerger (Refer note 37)	-	5.85	4.17	10.02	
Provision recognised/ (utilised) during the year	(35.00)	72.32	11.95	49.27	
<b>Closing balance</b>	<b>12.10</b>	<b>206.95</b>	<b>182.10</b>	<b>401.15</b>	

### Note No.23 Other liabilities

Other liabilities consist of the following:

#### (i) Other non-current liabilities

			₹ In Million
Particulars	March 31, 2021	March 31, 2020 (Restated)	
Prepaid rent liability	1.08	3.38	
<b>Total</b>	<b>1.08</b>	<b>3.38</b>	

## Notes

forming part of the standalone financial statements for the year ended March 31, 2021

### (ii) Other current liabilities

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
<b>Other payables:</b>		
- Advance from customers*	103.48	31.82
- Advance from related party (refer note 44)	-	0.02
- Advance received for sale of property, plant and equipment	-	72.17
- Statutory liabilities	117.00	98.44
- Others	9.56	9.56
<b>Total</b>	<b>230.04</b>	<b>212.01</b>

\* Includes advance from related party (Refer note 44)

### Note No.24 Trade payables

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
- Total outstanding dues of micro enterprises and small enterprises ( Refer note (i) below)	318.12	161.05
- Total outstanding dues of creditors other than micro enterprises and small enterprises*	7,248.93	4,737.66
<b>Total</b>	<b>7,567.05</b>	<b>4,898.71</b>

\* Includes dues to related party (Refer note 44)

### (i) Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

There are no material dues owed by the Company to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at 31 March 2021. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each year		
- Principal amount due to micro and small enterprises	318.12	161.05
- Interest due on the above	1.53	10.47
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	1,294.53	-
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	17.00	-
(iv) The amount of interest accrued and remaining un-paid at the end of each accounting year.	18.53	10.47
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006	29.18	10.65

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

All trade payables are current. The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 47.

## Notes

forming part of the standalone financial statements for the year ended March 31, 2021

### Note No.25 Tax liabilities

Tax liabilities consist of the following;

#### (i) Non-current tax liabilities (net)

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
Provision for income tax	1,790.91	-
<b>Total</b>	<b>1,790.91</b>	<b>-</b>

#### (ii) Current tax liabilities (net)

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
Provision for income tax (net of advance tax)	31.53	-
<b>Total</b>	<b>31.53</b>	<b>-</b>

### Note No.26 Revenue from operations

#### A. Revenue Streams

The Company is primarily involved into development and manufacture of pharmaceutical products. Other operating revenue include support service, royalty income and export incentives.

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
Sale of products *	17,765.35	15,411.03
Sale of services (Refer note (i) below)	189.19	95.14
Other operating revenues (Refer note (ii) below)	621.12	1,413.15
<b>Total</b>	<b>18,575.66</b>	<b>16,919.32</b>

\* Includes revenue from related parties (refer note 44).

## Notes

forming part of the standalone financial statements for the year ended March 31, 2021

### B. Disaggregated revenue information

In the following table, revenue from contracts with customers is disaggregated by primary geographical market

#### Revenue from contracts with customers

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
Africa	1,364.03	342.41
Australia	478.56	419.41
Asia	10,061.77	8,909.72
North America	1,494.63	2,492.41
Europe	3,678.82	2,584.55
India	854.53	750.22
Others	22.20	7.45
<b>Subtotal</b>	<b>17,954.54</b>	<b>15,506.17</b>
<b>Revenue from other sources</b>		
Other operating revenue	621.12	1,413.15
<b>Subtotal</b>	<b>621.12</b>	<b>1,413.15</b>
<b>Total</b>	<b>18,575.66</b>	<b>16,919.32</b>

Geographical revenue is allocated based on the location of the customers.

#### (i) Sale of services comprises:

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
Development income *	146.87	50.30
Licensing fees	12.36	11.34
Others	29.96	33.50
<b>Total</b>	<b>189.19</b>	<b>95.14</b>

\* Includes development income from related parties (Refer note 44)

#### (ii) Other operating revenue comprises:

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
Sale of intellectual property rights (refer note 44)	363.47	754.41
Royalty income	76.04	247.28
Export incentives	134.21	341.08
Support service income (refer note 44)	37.57	59.32

## Notes

forming part of the standalone financial statements for the year ended March 31, 2021

Others	9.83	11.06
<b>Total</b>	<b>621.12</b>	<b>1,413.15</b>

### Note No.27 Other income

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
Interest income (refer note (i) below)	126.05	164.50
Income from current investment	0.31	39.74
Dividend from subsidiaries (refer note 44)	353.70	137.87
Rental income from operating leases*	113.03	105.34
Other non-operating income		
- Guarantee commission (refer note 44)	256.42	440.98
- (Gain)/loss on sale/write off of property, plant and equipment and other intangible assets (net)	31.04	-
- Gain on sale of non-current investment	8.84	-
- Liabilities no longer required written back	-	40.51
- Others	0.57	1.77
<b>Total</b>	<b>889.96</b>	<b>930.71</b>

\* Includes income from related parties (Refer note 44)

#### Note:

#### (i) Interest income comprises:

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
Interest from banks on deposits	28.66	46.18
Interest on loans (refer note 44)	96.47	64.28
Interest from others	0.92	54.04
<b>Total</b>	<b>126.05</b>	<b>164.50</b>

### Note No.28 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
<b>Inventories at the end of the year:</b>		
- Finished goods	1,999.95	653.01
- Work-in-progress	309.47	487.99
- Stock-in-trade	17.49	10.57
	<b>2,326.91</b>	<b>1,151.57</b>
<b>Inventories at the beginning of the year:</b>		
- Finished goods	653.01	633.08
- Work-in-progress	487.99	472.12

## Notes

forming part of the standalone financial statements for the year ended March 31, 2021

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
- Stock-in-trade	10.57	17.62
<b>Net increase</b>	<b>(1,175.34)</b>	<b>(28.75)</b>

### Note No.29 Employee benefits expense

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
Salaries, wages and bonus	2,252.44	1,942.16
Contributions to provident and other funds (Refer note 43)	179.33	158.97
Share based compensation expense (Refer note 42)	64.92	15.87
Staff welfare expenses	230.55	185.29
<b>Total</b>	<b>2,727.24</b>	<b>2,302.29</b>

### Note No.30 Finance costs

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
Interest on borrowings	560.96	588.29
Interest on operating lease liabilities (refer note 5)	39.90	35.71
Other finance costs	52.53	44.43
<b>Total</b>	<b>653.39</b>	<b>668.43</b>

### Note No.31 Depreciation and amortisation expense

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
Depreciation on property, plant and equipment	630.35	614.29
Depreciation on right-of-use assets	125.08	98.67
Depreciation on investment property	45.22	45.23
Amortisation on intangible assets	192.77	184.21
<b>Total</b>	<b>993.42</b>	<b>942.40</b>

## Notes

forming part of the standalone financial statements for the year ended March 31, 2021

### Note No.32 Other expenses

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
Subcontracting charges	219.67	182.85
Power, fuel and water charges	458.20	445.34
Rent (Refer note 5)	38.57	20.16
Repairs and maintenance:		
- Buildings	33.99	43.86
- Machinery	415.40	390.45
- Others	142.30	109.40
Insurance	75.61	62.12
Rates and taxes	112.57	65.28
Communication expense	53.45	50.84
Travelling and conveyance	23.38	84.26
Printing and stationery	24.22	25.52
Carriage, freight and forwarding	933.99	195.75
Business promotion	6.76	14.50
Royalty expenses	2.55	13.56
Donations and contributions	4.61	0.01
Expenditure on Corporate Social Responsibility (Refer note (i) below)	24.81	23.27
Support service expenses (refer note 44)	570.51	464.63
Legal and professional fees	235.18	407.88
Payments to auditors (Refer note (ii) below)	20.61	20.16
Bad debts written off / provision for doubtful trade and other receivables	192.77	98.21
Loss on sale of property, plant and equipment and intangibles	-	1.40
Consumption of stores and spares	537.23	447.72
Research and development expenses	188.16	219.46
Miscellaneous expenses	52.86	97.27
<b>Total</b>	<b>4,367.40</b>	<b>3,483.90</b>

#### Note:

##### (i) Expenditure on Corporate Social Responsibility:

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
(a) Gross amount required to be spent during the year	22.84	21.80
(b) Amount spent during the year on :		
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	24.81	23.27
<b>Total</b>	<b>24.81</b>	<b>23.27</b>

##### (ii) Payments to the auditors comprises (net of taxes) for:

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
- Audit of Standalone, consolidated financial statements, limited review and other certifications	19.95	19.20
- Reimbursement of expenses	0.66	0.96
<b>Total</b>	<b>20.61</b>	<b>20.16</b>



## Notes

forming part of the standalone financial statements for the year ended March 31, 2021

### Note No.33 Tax expenses

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
<b>Current Tax</b>		
Current tax expenses	210.18	152.00
	<b>210.18</b>	<b>152.00</b>
<b>Deferred tax benefit</b>		
Deferred tax expense /(benefit)	(2.56)	(25.86)
Minimum alternative tax credit reversed	126.33	35.56
	<b>123.77</b>	<b>9.70</b>
<b>Net tax expense</b>	<b>333.95</b>	<b>161.70</b>

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
<b>Profit before income taxes</b>	1,116.35	1,364.45
Indian statutory income tax rate	34.944%	34.944%
Expected income tax expense	390.10	476.79
<b>Tax effect of adjustments to reconcile expected income tax expense to reported income tax:</b>		
Income exempt from tax	-	(6.06)
Effect of concessions and allowances	(40.95)	(98.32)
Items with differential tax rates	(35.08)	(36.13)
Effect of previously unrecognised tax losses and deductible temporary differences	-	(183.84)
Others (net)	19.88	9.26
<b>Total Income tax expense</b>	<b>333.95</b>	<b>161.70</b>

Refer note 11 for significant components of deferred tax assets and liabilities.

The Company is eligible for various tax incentives / exemptions with respect to taxability of income received in India including repatriation of any profits as dividends from subsidiaries and associates, which may result in possible tax litigations/assessments. Assessing the applicability of tax for such repatriations involve complexities with respect to various tax positions on availability of tax incentives / exemptions resulting in possible tax litigations/assessments. Judgment is required in assessing the availability of tax incentives / exemptions. These judgments could change over time as each of the matter progresses with the relevant tax authorities and accordingly may impact the accounting treatment followed by the Company. The Company based on its assessments believes that appropriate accruals have been recorded for all these matters, to the extent necessary.

## Notes

forming part of the standalone financial statements for the year ended March 31, 2021

### Note No.34 Earnings and expenditure in foreign currency

#### 34.1 Earnings in foreign currency

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
Sale of products	16,940.83	14,694.30
Development income	146.87	50.30
Licensing fees	12.36	11.34
Sale of intellectual property rights	363.47	754.41
Royalty income	76.04	247.28
Dividend from subsidiaries	353.70	137.87
Guarantee commission	212.40	398.31
Other income	37.62	56.84
<b>Total</b>	<b>18,143.29</b>	<b>16,350.65</b>

#### 34.2 Expenditure in foreign currency

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
Sales commission	-	7.82
Royalty expenses	1.99	11.12
Finance costs	132.32	201.10
Consumption of stores and spares	56.01	41.14
Legal and professional fees	24.59	17.94
Rates and taxes	86.08	3.77
Research and development expenses	53.72	13.79
Business promotion	0.27	6.45
Support service charges	0.11	23.48
Others	36.80	25.06
<b>Total</b>	<b>391.89</b>	<b>351.67</b>

### Note No.35 Details of research and development expenditure incurred (charged to statement of profit and loss)

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
Salaries, wages and bonus	244.71	230.83
Cost of materials consumed	164.26	59.07
Legal and professional fees	20.04	26.81
Bio study expense	128.00	82.51
Consumption of stores and spares	154.84	114.98
Travelling and conveyance	8.73	5.15
Depreciation and amortisation expense	95.45	100.86
Others	174.20	289.92
<b>Total</b>	<b>990.23</b>	<b>910.13</b>

## Notes

forming part of the standalone financial statements for the year ended March 31, 2021

### Note No.36 Other comprehensive income

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020
<b>A) Items that will not be reclassified to profit or loss</b>		
Defined benefit obligations	(23.35)	(31.47)
Income tax on defined benefit obligations	8.16	11.41
	<b>(15.19)</b>	<b>(20.06)</b>
<b>B) Items that may be reclassified to profit or loss</b>		
Movement in cash flow hedge	391.10	(516.60)
Income tax on cash flow hedge	(136.66)	180.52
	<b>254.44</b>	<b>(336.08)</b>
<b>Total</b>	<b>239.25</b>	<b>(356.14)</b>

### Note No.37 Merger and acquisitions

#### Business combination under common control

The Scheme u/s 230 to 232 of the Companies Act, 2013, between Strides (the transferee company), Strides Emerging Market Limited, Arrow Remedies Private Limited, and Fagris Medica Private Limited (together, the transferor companies) with an appointed date of April 1, 2019 was approved by the National Company Law Tribunal (NCLT), Bangalore Bench vide order dated May 28, 2020 and by the NCLT, Maharashtra Bench vide order dated November 6, 2020.

Entity / Business acquired	Principal activity	Date of control
Strides Emerging Market Limited	Develop, manufacture, market and trade in pharmaceutical products	1-Jun-12
Arrow Remedies Private Limited	Provide support services to the group entities	12-Sep-15
Fagris Medica Private Limited	Develop, manufacture, market and trade in pharmaceutical products	31-Mar-17

#### Salient features of the Scheme

- As the Transferee Company is the ultimate holding company of the Transferor Companies, there shall not be any issue of shares as purchase consideration to the shareholders of the Transferor Companies. Further, upon the scheme becoming effective the investments in the share capital of the Transferor companies, appearing in the books of accounts of the Transferee Company, if any, stands cancelled.
- Upon the Scheme becoming effective, the authorised share capital of the Transferor Companies shall stand combined with the authorised share capital of the Transferee Company. Accordingly, the authorised share capital of the Company will be ₹ 1,883,700,000, comprising 188,370,000 shares of ₹ 10 each.
- On the Scheme becoming effective and with effect from the Appointed Date, the merger of the Transferor Companies with the Transferee Company is accounted by the Transferee Company as per the applicable accounting principles prescribed under the Indian Accounting Standard (Ind AS) 103, 'Business Combinations' notified under Section 133 of the Act and/ or any other applicable Ind AS, as amended from time to time.

## Notes

forming part of the standalone financial statements for the year ended March 31, 2021

### Net assets (including reserves) recognised at the appointed date of the scheme

Particulars	₹ In Million			
	Strides Emerging Market Limited	Arrow Remedies Private Limited	Fagris Medica Private Limited	Total
Current assets	136.49	0.33	2.09	138.91
Non-current assets	358.43	0.05	-	358.48
Current liabilities	(153.18)	(1.04)	(0.77)	(154.99)
Non-current liabilities	(589.29)	-	-	(589.29)
<b>Net assets of the transferor companies</b>	<b>(247.55)</b>	<b>(0.66)</b>	<b>1.32</b>	<b>(246.89)</b>
<b>Reserves transferred</b>				
Capital Reserve	-	-	(29.27)	(29.27)
Securities Premium	(210.62)	-	-	(210.62)
Retained Earnings	513.18	0.76	38.34	552.28
Items of Other Comprehensive Income	1.26	-	-	1.26
<b>Net assets (including reserves) of the transferor companies</b>	<b>56.27</b>	<b>0.10</b>	<b>10.39</b>	<b>66.76</b>

### Calculation of Capital reserve arising on business combination under common control

Particulars	₹ In Million			
	Strides Emerging Market Limited	Arrow Remedies Private Limited	Fagris Medica Private Limited	Total
<b>Carrying value of Investments</b>	-	0.21	-	0.21
Add : Reversal of impairment loss recognised in retained earnings	-	-	18.70	18.70
<b>Gross Carrying value of Investments</b>	<b>-</b>	<b>0.21</b>	<b>18.70</b>	<b>18.91</b>
Less: Net assets (including reserves) of the transferor companies	(56.27)	(0.10)	(10.39)	(66.76)
<b>(Excess) / shortfall of the net assets (including reserves) recognised of the transferor companies over the carrying value of investments/purchase consideration, transferred to capital reserves</b>	<b>(56.27)</b>	<b>0.11</b>	<b>8.31</b>	<b>(47.85)</b>

### Note No.38 Segment information

Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker ("CODM") evaluates the Company's performance based on an analysis of various performance indicators. The accounting principles used in the preparation of these financial results are consistently applied to record revenue and expenditure in individual segments.

Effective January 1, 2021, the Company pursuant to its assessment that the business has now evolved from its incubation stage and to align to the decision to demerge certain parts of its business, implemented operational changes in how its CODM evaluates its businesses, including resource allocation and performance assessment. As a result of the aforesaid change, the Company now has two operating segments, representing the individual businesses that are managed separately. The Company's new reportable segment are as follows; "Pharmaceutical" and "Bio-pharmaceutical". The Company has restated segment information for the historical periods presented herein to conform to the current presentation. This change in segments had no impact on the Company's historical standalone statements of profit and loss, balance sheets or statements of cash flows.

## Notes

forming part of the standalone financial statements for the year ended March 31, 2021

		₹ In Million	
S.No.	Particulars	March 31, 2021	March 31, 2020
<b>1</b>	<b>Segment Revenue</b>		
	a) Pharmaceutical business	18,575.66	16,919.32
	b) Bio-pharmaceutical business	-	-
	<b>Revenue from operations</b>	<b>18,575.66</b>	<b>16,919.32</b>
<b>2</b>	<b>Segment results</b>		
	a) Pharmaceutical business	1,116.35	1,364.45
	b) Bio-pharmaceutical business	-	-
	<b>Profit before tax (I)</b>	<b>1,116.35</b>	<b>1,364.45</b>
	Tax expense (II)	333.95	161.70
	<b>Profit for the period (I-II)</b>	<b>782.40</b>	<b>1,202.75</b>

		₹ In Million	
S.No.	Particulars	March 31, 2021	March 31, 2020
<b>1</b>	<b>Segment Assets</b>		
	a) Pharmaceutical business	46,816.40	43,841.06
	b) Bio-pharmaceutical business	5,396.93	2,927.54
	<b>Total Segment Assets</b>	<b>52,213.33</b>	<b>46,768.60</b>
<b>2</b>	<b>Segment Liabilities</b>		
	a) Pharmaceutical business	19,658.88	15,180.74
	b) Bio-pharmaceutical business	73.87	-
	<b>Total Segment Liabilities</b>	<b>19,732.75</b>	<b>15,180.74</b>

Other than revenue from related parties as disclosed in note 44 of the standalone financial statements, no external customer individually accounted for more than 10% of the total revenue of the Company for the year ended March 31, 2021 and March 31, 2020.

### Note No.39 Details of Loans and Investments during the year

#### 39.1 Details of Loans made by the Company

##### Details of loans during the year

								₹ In Million
Name of borrower	Nature of relationship	Security	Rate of interest	Term	As at April 1, 2020	Given during the year	Repayment during the year	As at March 31, 2021
Vivimed Lifesciences Private Limited	Wholly owned subsidiary	Unsecured	10.50%	2 Years	725.80	451.46	355.06	822.21
Strides Consumer Private Limited	Associate	Unsecured	10%	5 Years	30.00	-	-	30.00
<b>Total</b>					<b>755.80</b>	<b>451.46</b>	<b>355.06</b>	<b>852.21</b>

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#### Details of loans during the previous year

								₹ In Million
Name of borrower	Nature of relationship	Security	Rate of interest	Term	As at April 1, 2019 (Restated)	Given during the year	Repayment during the year	As at March 31, 2020 (Restated)
Vivimed Lifesciences Private Limited	Wholly owned subsidiary	Unsecured	10.50%	2 Years	166.20	766.60	207.00	725.80
Stelis Biopharma Private limited	Associate	Unsecured	10%	1 Year	250.00	-	250.00	-
Strides Consumer Private Limited	Associate	Unsecured	10%	5 Years	30.00	-	-	30.00
<b>Total</b>					<b>446.20</b>	<b>766.60</b>	<b>457.00</b>	<b>755.80</b>

All the above loans are given for the purpose of business operations of the borrowers as long term strategic investment.

#### 39.2 Details of non-current investments purchased and sold during the year:

						₹ In Million
Particulars	Face value per unit	As at April 1, 2020	Invested during the year	Sold during the year	Conversion	As at March 31, 2021
<b>(A) Investments in subsidiaries: (Carried at cost)</b>						
<b>Equity shares, unquoted</b>						
Strides Arcolab International Limited, UK	GBP 1	4,467.74	-	-	854.78	5,322.52
Strides Pharma International Limited, Cyprus	USD 1	23.13	-	-	-	23.13
Strides Pharma Asia Pte Limited, Singapore	SGD 1	11,476.68	-	-	-	11,476.68
SVADS Holdings SA, Switzerland	CHF 1	466.59	-	-	-	466.59
Vivimed Life Sciences Private Limited, India	₹ 10	1,347.42	-	-	-	1,347.42
Arcolab Private Limited, India	₹ 10	1.60	-	-	-	1.60
		<b>17,783.16</b>	<b>-</b>	<b>-</b>	<b>854.78</b>	<b>18,637.94</b>
<b>Compulsory convertible preference shares, unquoted</b>						
Strides Arcolab International Limited, UK	GBP 1,000	854.78	-	-	(854.78)	-
		<b>854.78</b>	<b>-</b>	<b>-</b>	<b>(854.78)</b>	<b>-</b>
<b>(B) Investments in associates: (Carried at cost)</b>						
<b>Equity shares, unquoted</b>						
Stelis Biopharma Private Limited, India	₹ 10	2,913.59	2,394.96	-	-	5,308.55
Strides Consumer Private Limited, India	₹ 100	0.10	-	(0.10)	-	-
		<b>2,913.69</b>	<b>2,394.96</b>	<b>(0.10)</b>	<b>-</b>	<b>5,308.55</b>
<b>Compulsorily Convertible Preference shares, unquoted</b>						
Strides Consumer Private Limited, India	₹ 100	153.86	-	(153.86)	-	-
		<b>153.86</b>	<b>-</b>	<b>(153.86)</b>	<b>-</b>	<b>-</b>
<b>Total</b>		<b>21,705.49</b>	<b>2,394.96</b>	<b>(153.96)</b>	<b>-</b>	<b>23,946.49</b>

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### Details of non-current investments purchased and sold during the previous year:

Particulars	Face value per unit	As at April 1, 2019 (Restated)	Invested during the year	Sold during the year	Conversion	₹ In Million
						As at March 31, 2020 (Restated)
<b>(A) Investments in subsidiaries: (Carried at cost)</b>						
Equity shares, unquoted						
Strides Arcolab International Limited, UK	GBP 1	4,467.74	-	-	-	4,467.74
Strides Pharma International Limited, Cyprus	USD 1	23.13	-	-	-	23.13
Strides Pharma Asia Pte Limited, Singapore	SGD 1	11,476.68	-	-	-	11,476.68
SVADS Holdings SA, Switzerland	CHF 1	466.59	-	-	-	466.59
Vivimed Life Sciences Private Limited, India	₹ 10	1,347.42	-	-	-	1,347.42
Arcolab Private Limited, India	₹ 10	1.60	-	-	-	1.60
		<b>17,783.16</b>	-	-	-	<b>17,783.16</b>
<b>Compulsory convertible preference shares, unquoted</b>						
Strides Arcolab International Limited, UK	GBP 1,000	-	854.78	-	-	854.78
		-	<b>854.78</b>	-	-	<b>854.78</b>
<b>(B) Investments in associates: (Carried at cost)</b>						
Equity shares, unquoted						
Stelis Biopharma Private Limited, India	₹ 10	1,258.55	905.04	-	750.00	2,913.59
Strides Consumer Private Limited, India	₹ 100	0.10	-	-	-	0.10
		<b>1,258.65</b>	<b>905.04</b>	-	<b>750.00</b>	<b>2,913.69</b>
<b>Compulsorily Convertible Preference shares, unquoted</b>						
Stelis Biopharma Private Limited, India	₹ 10	750.00	-	-	(750.00)	-
Strides Consumer Private Limited, India	₹ 100	153.86	-	-	-	153.86
		<b>903.86</b>	-	-	<b>(750.00)</b>	<b>153.86</b>
<b>Total</b>		<b>19,945.67</b>	<b>1,759.82</b>	-	-	<b>21,705.49</b>

### 39.3 Details of current investments purchased and sold during the year:

Particulars	As at April 1, 2020	Purchase during the year	Sold during the year	Adjustments	₹ In Million
					As at March 31, 2021
<b>Investment measured at fair value through profit or loss</b>					
Quoted investments					
Investments in mutual funds	-	150.00	(150.00)	-	-
<b>Total</b>	-	<b>150.00</b>	<b>(150.00)</b>	-	-

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### Details current investments purchased and sold during the previous year:

Particulars	As at April 1, 2019	Purchase during the year	Sold during the year	Adjustments	₹ In Million
					As at March 31, 2020 (Restated)
<b>Investment measured at fair value through profit or loss</b>					
Quoted investments					
Investments in mutual funds	1,542.86	-	(1,542.86)	-	-
<b>Total</b>	<b>1,542.86</b>	-	<b>(1,542.86)</b>	-	-

### 39.4 Movement in corporate guarantee during the year

Particulars	As at April 1, 2020	Given during the year	Withdrawn/Cancelled during the year	Exchange rate movement	₹ In Million
					As at March 31, 2021
Strides Pharma Asia Pte Ltd., Singapore- Mylan Inc. Purpose - Guarantee is extended on behalf of Strides Pharma Asia in relation to its financial obligations under a Share Purchase Agreement for the sale of shares of its subsidiary Agila Specialities Global Pte. Ltd., Singapore	15,070.60	-	(15,070.60)	-	-
Strides Pharma Global Pte. Limited - Banks and financial institutions Purpose: Non-current and working capital borrowings for capital investments	7,289.35	-	-	(198.60)	7,090.75
Stelis Biopharma Private Limited, India - Banks and financial institutions Purpose: Non-current borrowings for capital investments	6,291.59	-	-	(103.07)	6,188.52
Strides Pharma Inc., USA- Banks and financial institutions Purpose- Non-current and workings capital borrowings	2,260.59	365.80	(1,130.30)	(32.90)	1,463.19
Vivimed Life Sciences Private Limited, India - Banks and financial institutions Purpose: Working capital borrowings	320.00	-	-	-	320.00
Strides Pharma UK Ltd, UK - Banks and financial institutions Purpose: Asset acquisition and Working capital borrowings	1,123.15	-	(561.58)	43.57	605.14
<b>Total</b>	<b>32,355.28</b>	<b>365.80</b>	<b>(16,762.48)</b>	<b>(291.00)</b>	<b>15,667.60</b>

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### Movement in corporate guarantee during the previous year

Particulars	₹ In Million				
	As at April 1, 2019	Given during the year	Withdrawn/ Cancelled during the year	Exchange rate movement	As at March 31, 2020 (Restated)
Strides Pharma International Limited, Cyprus- Watson Pharmaceuticals, Inc., USA- (Original guarantee provided by Strides Pharma Limited which merged with Strides Pharma International Limited effective December 12, 2017) Purpose: Pursuant to the Share Sale Agreement entered by the Company with Watson Pharmaceuticals Inc., USA for the sale of its stake in Ascent Pharmahealth Ltd., Australia	12,989.75	-	(12,229.69)	(760.06)	-
Strides Pharma Asia Pte Ltd., Singapore- Mylan Inc. Purpose - Guarantee is extended on behalf of Strides Pharma Asia in relation to its financial obligations under a Share Purchase Agreement for the sale of shares of its subsidiary Agila Specialities Global Pte. Ltd., Singapore	13,838.00	-	-	1,232.60	15,070.60
Strides Pharma Global Pte. Limited - Banks and financial institutions Purpose: Non-current borrowings for capital investments	20,583.58	1,394.03	(15,152.61)	464.35	7,289.35
Arrow Pharmaceuticals Pty Limited, Australia - Banks and financial institutions Purpose: Non-current borrowings for capital investments and workings capital loans.	2,144.89	-	(2,144.89)	-	-
Stelis Biopharma Private Limited, India - Banks and financial institutions Purpose: Non-current borrowings for capital investments	4,001.93	2,000.00	-	289.66	6,291.59
Strides Pharma Inc., USA- Banks and financial institutions Purpose- Workings capital borrowings	1,037.85	1,130.30	-	92.44	2,260.59
Vivimed Life Sciences Private Limited, India - Banks and financial institutions Purpose: Working capital borrowings	320.00	-	-	-	320.00
Strides Pharma UK Ltd, UK - Banks and financial institutions Purpose: Asset acquisition and Working capital borrowings	-	1,123.15	-	-	1,123.15
<b>Total</b>	<b>54,916.00</b>	<b>5,647.48</b>	<b>(29,527.19)</b>	<b>1,318.99</b>	<b>32,355.28</b>

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### 39.5 Disclosure as per Regulation 34 (3) and 53 (f) read with Part A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of loans and advances, the amount in the nature of loans outstanding at year end:

Particulars	₹ In Million			
	Outstanding		Maximum amount outstanding during the year ended	
	As at March 31, 2021	As at March 31, 2020 (Restated)	March 31, 2021	March 31, 2020 (Restated)
Strides Consumer Private Limited	30.00	30.00	30.00	30.00
Vivimed Lifesciences Private Limited	822.21	725.80	1,092.41	835.10
<b>Total</b>	<b>852.21</b>	<b>755.80</b>	<b>1,122.41</b>	<b>865.10</b>

### Note No.40 Commitments

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	296.27	199.32
<b>Total</b>	<b>296.27</b>	<b>199.32</b>

### Note No.41 Contingent liabilities (to the extent not provided for)

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
<b>a) Corporate guarantees</b> The Company has given corporate guarantees to financial institutions and other parties, including on behalf of its subsidiaries in the ordinary course of business.	15,667.60	32,355.28
<b>b) Claims against the Company not acknowledged as debt</b>		
- Disputed tax liabilities arising from assessment proceedings relating to earlier years from the income tax authorities. The outflow, if any, on account of disputed taxes is dependent on completion of assessments/ disposal of appeals and adjustments for payment made under protest.	1,664.77	1,844.86
- Disputed excise, custom, service tax and sales tax liabilities arising from assessment proceedings relating to prior years. The outflow, if any, on account of disputed liabilities is dependent on completion of assessments/ disposal of appeals and adjustments for payment made under protest.	563.50	581.61

As per the judgment of Honourable Supreme Court dated February 28, 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Company's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence It is unclear as to whether the clarified definition of Basic Wages would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods and hence has currently been considered to be a contingent liability.

Other than the matters disclosed above, the Company is also involved in other disputes including patent and commercial matters that arise from time to time in the ordinary course of business. Management is of the view

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that the resolution of these disputes will not have any material adverse effect on the Company's financial position or results of operations.

### Note No.42 Share-based payments

#### a. Details of the employee share option plan of the Company:

- (a) The ESOP titled "Strides Arcolab ESOP 2015" (ESOP 2015) was approved by the shareholders on November 6, 2015 for 70,000 options. Each option comprises one underlying equity share of the Company. The vesting period of these options range over a period of four years. The options must be exercised within a period of 180 days from the date of vesting. No options were granted under this plan during the current year. This Scheme ended on March 31, 2020.
- (b) The ESOP titled "Strides ESOP 2016" (formerly known as Strides Shasun ESOP 2016) (ESOP 2016) was approved by the shareholders on April 21, 2016. 3,000,000 options are covered under the Plan which are convertible into equal number of equity shares of the Company. The vesting period of these options range over a period of three years. The options must be exercised within a period of one year from the date of vesting. Company has granted 25,000 options (Previous year: 100,000) under this scheme during the current year.
- (c) During the current year, Employee compensation costs of ₹ 12.12 Million (for the year ended March 31, 2020: ₹ 15.87 Million) relating to the above referred various Employee Stock Option Plans have been recognised in the Statement of Profit and Loss.

#### Fair value of share options granted during the year

The fair value of the share options granted during the year under ESOP 2016, is ₹ 179.19. Options were priced using a Black- Scholes method of valuation at grant date. Expected volatility is based on the historical share price volatility over the past 3 years.

#### Inputs into the model

Particulars	₹ In Million	
	ESOP 2016	
No of Options	25,000	
Grant date share price	₹ 414.40	
Exercise price	₹ 311.00	
Expected volatility	36.52%	
Option life	3 years	
Expected Dividend %	20.00%	
Risk-free interest rate	6.041%	

#### Employee stock options details as on the balance sheet date are as follows:

Particulars	During the year 2020-21		During the year 2019-20	
	Options (No's)	Weighted average exercise price per option (₹)	Options (No's)	Weighted average exercise price per option (₹)
<b>Option outstanding at the beginning of the year:</b>				
- ESOP 2015	-	-	563	231.79
- ESOP 2016	421,200	346.86	457,500	394.15
<b>Granted during the year:</b>				
- ESOP 2015	-	-	-	-
- ESOP 2016	25,000	311.00	100,000	265.56

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Particulars	During the year 2020-21		During the year 2019-20	
	Options (No's)	Weighted average exercise price per option (₹)	Options (No's)	Weighted average exercise price per option (₹)
<b>Exercised during the year:</b>				
- ESOP 2015	-	-	(188)	231.79
- ESOP 2016	(115,500)	302.97	(15,800)	301.00
<b>Lapsed/ cancelled during the year:</b>				
- ESOP 2015	-	-	(375)	231.79
- ESOP 2016	(84,800)	426.17	(120,500)	464.98
<b>Options outstanding at the end of the year:*</b>				
- ESOP 2015	-	-	-	-
- ESOP 2016	245,900	348.79	421,200	346.86
<b>Options available for grant:</b>				
- ESOP 2015	-	-	-	-
- ESOP 2016	2,602,800	-	2,543,000	-

\* Includes options vested but not exercised as at March 31, 2021 ESOP 2016: 57,150 (March 31, 2020: 50,000)

#### b. Details of the cash settled share based payment plan of the Company:

On May 20, 2020, the Board approved "Strides Long Term Incentive Plan 2020" titled the LTIP 2020 ("the Plan"). The Plan shall be in the form of Phantom Units. Each Phantom Unit, upon exercise, entitles the awardee a cash benefit equal to the Share Price on the date of exercise minus exercise price to be paid to the Company.

The vesting period of these units is one year. The units must be exercised within a period of twelve months from the date of vesting. The Company has granted 72,966 options (Previous year: nil) under this scheme during the current year.

During the current year, Employee compensation costs of ₹ 52.80 Million (for the year ended March 31, 2020: nil) relating to the Plan have been recognised in the Statement of Profit and Loss.

#### Fair value of phantom units granted during the year

The fair value of these units as on May 20, 2020 (grant date) is ₹ 412.88. These units were priced using a Black-Scholes method of valuation.

#### Inputs into the model as on grant date

Particulars	LTIP 2020
No of Options	72,966
Valuation date share price	₹ 421.15
Exercise price	₹ 10
Expected volatility	35.36%
Option life	2 years
Risk-free interest rate	6.041%

The fair value of these units as on March 31, 2021 is ₹ 838.48

### Note No.43 Employee Benefits Plans

#### Defined contribution plan

The Company makes contributions to provident fund and employee state insurance schemes which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll cost to fund the benefits. The Company recognised ₹ 123.05 Million for provident fund

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contributions, ₹ 2.26 Million for employee state insurance scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

### Defined benefit plan

The Company offers gratuity benefits, a defined employee benefit scheme to its employees.

### Composition of the plan assets

The fund is managed by LIC, the fund manager. The details of composition of plan assets managed by the fund manager is not available with the Company. However, the said funds are subject to Market risk (such as interest risk, investment risk, etc.).

With respect to the transferor entities, the defined employee benefit scheme is unfunded.

The said benefit plan is exposed to actuarial risks such as longevity risk and salary risk.

### 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.

### The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at	
	March 31, 2021	March 31, 2020
Discount rate(s)	6.58%	6.40%
Expected rate(s) of salary increase	10.00%	10.00%
Mortality Rate	As per IALM (2012-14) ultimate	As per IALM (2012-14) ultimate
Retirement age (years)	58 years	58 years

### Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
<b>Service cost:</b>		
Current service cost	42.12	34.06
Net interest expense	11.89	8.05
<b>Components of defined benefit costs recognised in statement of profit and loss</b>	<b>54.01</b>	<b>42.11</b>
<b>Remeasurement on the net defined benefit liability:</b>		
Return on plan assets [excluding amounts included in net interest expense] short / (excess)	3.74	(8.99)
Actuarial losses arising from changes in demographic assumptions	13.56	5.16
Actuarial losses arising from changes in financial assumptions	(4.76)	12.48
Actuarial (gains) / losses arising from experience adjustments	10.81	22.82
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>23.35</b>	<b>31.47</b>
<b>Total</b>	<b>77.36</b>	<b>73.58</b>

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The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

### The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
Present value of funded defined benefit obligation	397.94	333.89
Fair value of plan assets	(126.49)	(136.43)
<b>Funded status</b>	<b>271.45</b>	<b>197.46</b>
Present value of unfunded defined benefit obligation	11.32	9.49
<b>Net liability arising from defined benefit obligation</b>	<b>282.77</b>	<b>206.95</b>

### Movements in the present value of the defined benefit obligation are as follows:

Particulars	₹ In Million	
	Year ended	
	March 31, 2021	March 31, 2020 (Restated)
Opening defined benefit obligation	343.38	276.78
(less) on account of acquisitions / transfers	-	(1.20)
<b>Expenses recognised in statement of profit and loss</b>		
Current service cost	42.12	34.06
Interest cost	20.63	18.07
<b>Remeasurement (gains)/losses:</b>		
Actuarial gains and losses arising from changes in financial assumptions	(4.76)	12.47
Actuarial gains and losses arising from experience adjustments	10.81	22.82
Actuarial gains and losses arising from demographic assumption	13.56	5.16
Benefits paid	(16.48)	(24.78)
<b>Closing defined benefit obligation</b>	<b>409.26</b>	<b>343.38</b>

### Movements in the fair value of the plan assets are as follows:

Particulars	₹ In Million	
	Year ended	
	March 31, 2021	March 31, 2020
Opening fair value of plan assets	136.43	142.15
<b>Remeasurement gain (loss):</b>		
Return on plan assets (excluding amounts included in net interest expense)	8.73	10.02
Contributions from the employer	-	-
Assets distributed on business transfer	-	-
Actuarial gain/(loss) on plan assets	(3.74)	8.99
Benefits paid	(14.93)	(24.73)
<b>Closing fair value of plan assets</b>	<b>126.49</b>	<b>136.43</b>

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

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If the discount rate increases (decrease) by 1%, the defined benefit obligation would be ₹ 383.25 Million (₹ 438.65 Million) as at March 31, 2021.

If the expected salary growth increases (decrease) by 1%, the defined benefit obligation would be ₹ 431.00 Million (₹ 388.51 Million) as at March 31, 2021.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

There has been no change in the process used by the Company to manage its risks from prior periods.

### Expected future cash outflows towards the plan are as follows-

Financial Year	Amount
2021-22	43.85
2022-23	43.71
2023-24	40.93
2024-25	40.81
2025-26	42.40
2026-27 to 2030-31	191.28

### Note No.44 Related party transactions : List of related parties

Relationship	Name
<b>Wholly owned subsidiaries</b>	<b>Direct Holding</b>
	Arco Lab Private Limited, India
	Strides Arcolab International Limited, UK
	Strides Pharma Asia Pte Limited, Singapore
	Strides Pharma International Limited, Cyprus
	SVADS Holdings SA, Switzerland
	Vivimed Life Sciences Private Limited, India
	<b>Step down subsidiaries</b>
	Altima Innovations Inc, USA
	Arrow Life Sciences (Malaysia) Sdn. Bhd., Malaysia
	Arrow Pharma (Private) Limited, Srilanka
	Arrow Pharma Life Inc., Philippines
	Arrow Pharma Pte Limited, Singapore
	Generic Partners (Canada) Inc., Canada (with effect from July 15, 2019)
	Generic Partners (South Africa) Pty Limited, South Africa (from September 25, 2018 to March 26, 2020)
	Generic Partners UK Limited, UK
Generic Partners (International) Pte. Ltd, Singapore (with effect from July 15, 2019)	
Generic Partners (M) Sdn Bhd, Malaysia (from July 15, 2019 to September 6, 2019)	
Generic Partners (R&D) Pte. Ltd, Singapore (with effect from July 15, 2019)	
Shasun Pharma Solutions Inc, USA	

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Relationship	Name
	Stabilis Pharma Inc, USA
	Stelis Biopharma (Malaysia) Sdn Bhd, Malaysia
	Strides CIS Limited, Cyprus
	Strides LifeSciences Limited, Nigeria
	Strides Netherlands BV, Netherlands (with effect from October 17, 2019)
	Strides Nordic ApS, Nordic (with effect from December 4, 2019)
	Strides Pharma (Cyprus) Limited, Cyprus
	Strides Pharma Global (UK) Limited, UK
	Strides Pharma Global Pte Limited, Singapore
	Strides Pharma Inc, USA
	Strides Pharma (UK) Limited, UK
	Strides Pharma Canada Inc, Canada
	Strides Pharma Science Pty Ltd, Australia (with effect from August 8, 2019)
	Strides Vivimed Pte Limited, Singapore
	Vensun Pharmaceuticals Inc, USA
<b>Other Subsidiaries:</b>	<b>Direct Holding:</b>
	<b>Step down subsidiaries</b>
	Alliance Pharmacy Pty Limited, Australia (51%) (upto July 10, 2019)
	Apollo Life Sciences Holdings Proprietary Limited, South Africa (51.76%)
	Amneal Pharma Australia Pty Ltd.,Australia (99.99%) (upto July 10, 2019)
	Amneal Pharmaceuticals Pty Ltd.,Australia (99.99%) (upto July 10, 2019)
	Arrow Pharma Pty Limited, Australia (99.99%) (upto July 10, 2019)
	Arrow Pharmaceuticals Pty Limited, Australia (99.99%) (upto July 10, 2019)
	Beltapharm, SpA, Italy (97.94%)
	Eris Pharma GmbH, Germany (with effect from April 1, 2020)
	Fairmed Healthcare AG, Switzerland (with effect from April 1, 2020)
	Fairmed Healthcare GmbH, Germany (with effect from April 1, 2020)
	Generic Partners (Canada) Inc., Canada (51%) (from August 11, 2016 to July 14, 2019)
	Generic Partners (International) Pte Limited, Singapore (51%) (upto July 14, 2019)
	Generic Partners (M) Sdn Bhd, Malaysia (51%) (upto July 14, 2019)
	Generic Partners (NZ) Limited, New Zealand (51%) (upto September 20, 2019)
	Generic Partners Holding Co Pty Limited, Australia (51%) (upto July 10, 2019)
	Generic Partners Pty Limited, Australia (51%) (upto July 10, 2019)
	Pharmacy Alliance Group Holdings Pty Limited, Australia (50.99%) (upto July 10, 2019)
	Pharmacy Alliance Investments Pty Limited, Australia (99.99%) (upto July 10, 2019)
	Pharmacy Alliance Pty Limited., Australia (50.99%) (upto July 10, 2019)
	Pharmapar Inc, Canada (80%)
	Smarterpharm Pty Limited, Australia (51%) (upto July 10, 2019)
	Strides Arcolab (Australia) Pty Limited, Australia (99.99%) (upto July 10, 2019)
	Strides Pharma (SA) Pty Limited, South Africa (60%)
	Strides Shasun Latina SA De CV, Mexico (80%)
	Trinity Pharma Proprietary Limited, South Africa (51.76%)
	Universal Corporation Limited, Kenya (51%)
	<b>Trusts:</b>
	Strides Foundation Trust, India



## Notes

forming part of the standalone financial statements for the year ended March 31, 2021

Relationship	Name
<b>Joint Ventures (JV)</b>	MyPak Solutions Australia Pty Ltd, Australia (upto July 10, 2019) Sihuan Strides (HK) Ltd, Hongkong (with effect from October 22, 2019) Oraderm Pharmaceuticals Pty Limited, Australia (upto July 10, 2019)
<b>Associates</b>	Aponia Laboratories Inc, USA Eris Pharma GmbH, Germany (with effect from September 9, 2019 to March 31, 2020) Fairmed Healthcare AG, Switzerland (with effect from September 9, 2019 to March 31, 2020) Fairmed Healthcare GmbH, Germany (with effect from September 9, 2019 to March 31, 2020) Generic Partners (R&D) Pte Limited, Singapore (upto July 10, 2019) Juno OTC Inc, Canada (with effect from May 31, 2019) Regional Bio Equivalence Centre S.C., Ethiopia Stelis Biopharma Private Limited, India Stelis Biopharma LLC, USA (with effect from January 21, 2020) Stelis Pte. Ltd, Singapore Strides Consumer Private Limited, India Strides Consumer LLC, USA Strides Global Consumer Healthcare Limited, UK
<b>Director and Key Management Personnel</b>	Mr. Arun Kumar, Chairman and Non-Executive Director (with effect from April 1, 2020), (Managing Director & Group CEO - upto Jan 8, 2020), (Executive Director - with effect from Jan 9, 2020 till March 31, 2020) Dr. R Ananthanarayanan, Managing Director & CEO- (with effect from Jan 9, 2020) Mr. Badree Komandur, Executive Director- Finance & Group CFO Mr. Deepak Vaidya, Non-Executive Director (Chairman up to March 31, 2020) Mr. Bharat D Shah, Independent Director Mr. S.Sridhar, Independent Director Mrs. Sangita Reddy, Independent Director (upto July 30, 2019) Dr. Kausalya Santhanam, Independent Director (with effect from December 11, 2019) Mr. Homi Rustam Khusrokhani, Independent Director Ms. Manjula Ramamurthy, Company Secretary
<b>Enterprises owned or significantly influenced by directors, key management personnel and their relatives</b>	Alivira Animal Health Limited, India Atma Projects, India Aurore Life Sciences Private Limited, India Aurore Pharmaceuticals Private Limited Chayadeep Properties Private Limited, India Devendra estates LLP, India Naari Pharma Private Limited, India SeQuent Scientific Limited, India (upto September 8, 2020) SeQuent Research Limited, India (upto September 8, 2020) Shasun USA Inc, USA Solara Active Pharma Sciences Limited, India Steriscience Specialties Private Limited, India Tenshi Kaizen Private Limited, India Tenshi Life Sciences Private Limited, India

## Notes

forming part of the standalone financial statements for the year ended March 31, 2021

Relationship	Name
	Tenshi Pharmaceuticals Private Limited (formerly known as Sovizen Life Sciences Private Limited, India and Steriscience Private Limited, India)
	Velbiom Probiotics Private Limited, India (formerly Tenshi Life Care Private Limited, India)

### Related party closing balances

Nature of Transactions	₹ In Million									
	Wholly Owned Subsidiaries		Other Subsidiaries		Associates / Joint venture		Directors /KMP/ Relatives of KMP		Enterprises owned or significantly influenced by directors or KMP or their relatives	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Balance of (trade payables) net of advance paid :</b>										
1 Atma Projects	-	-	-	-	-	-	-	-	(8.19)	(8.93)
2 Arco Lab Private Limited	(94.18)	(122.63)	-	-	-	-	-	-	-	-
3 Aurore Life Sciences Private Limited	-	-	-	-	-	-	-	-	(161.70)	15.68
4 Aurore Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	(23.75)	-
5 Beltapharm S.p.A.	-	-	(3.90)	(2.41)	-	-	-	-	-	-
6 Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	(3.86)	(7.56)
7 Devendra Estates LLP	-	-	-	-	-	-	-	-	(0.28)	(0.25)
8 Fairmed Healthcare AG	-	-	(0.04)	-	-	-	-	-	-	-
9 Fair-Med Healthcare GmbH	-	-	(22.45)	-	-	-	-	-	-	-
10 SeQuent Scientific Limited	-	-	-	-	-	-	-	-	-	(2.39)
11 Strides CIS Limited	(29.79)	(30.61)	-	-	-	-	-	-	-	-
12 Strides Consumer Private Limited	-	-	-	-	(1.20)	-	-	-	-	-
13 Strides Pharma (Cyprus) Limited	(4.11)	(2.41)	-	-	-	-	-	-	-	-
14 Strides Pharma Inc.	(104.10)	(153.89)	-	-	-	-	-	-	-	-
15 Strides Pharma Global Pte Limited	(77.59)	(39.58)	-	-	-	-	-	-	-	-
16 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	(1,593.58)	(1,346.33)
17 Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	-	(1.28)
18 Universal Corporation Limited	-	-	(17.49)	(6.82)	-	-	-	-	-	-
19 Vivimed Life Sciences Private Limited	(39.76)	(15.66)	-	-	-	-	-	-	-	-
20 Strides Pharma (UK) Limited, UK	(35.05)	(17.41)	-	-	-	-	-	-	-	-
<b>Balance of trade receivables (net of advance received):</b>										
1 Alivira Animal Health Limited	-	-	-	-	-	-	-	-	1.18	1.18
2 Arrow Pharma Pte Limited	4.39	4.52	-	-	-	-	-	-	-	-
3 Arco Lab Private Limited	(6.24)	29.14	-	-	-	-	-	-	-	-
4 Beltapharm S.p.A.	-	-	1.13	1.10	-	-	-	-	-	-
5 Naari Pharma Private Limited	-	-	-	-	-	-	-	-	0.01	3.47
6 Sihuan Strides (Hk) Limited	-	-	-	-	35.69	-	-	-	-	-

## Notes

forming part of the standalone financial statements for the year ended March 31, 2021

Nature of Transactions	₹ In Million									
	Wholly Owned Subsidiaries		Other Subsidiaries		Associates / Joint venture		Directors /KMP/ Relatives of KMP		Enterprises owned or significantly influenced by directors or KMP or their relatives	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
7 Strides Pharma (UK) Limited, UK	589.01	165.56	-	-	-	-	-	-	-	-
8 Strides Pharma Canada Inc.,	21.63	-	-	-	-	-	-	-	-	-
9 Strides Netherlands B.V	44.01	-	-	-	-	-	-	-	-	-
10 Strides Shasun Latina SA De CV	-	-	2.59	-	-	-	-	-	-	-
11 Strides South Africa Pty Ltd	-	-	30.23	-	-	-	-	-	-	-
<b>Balance of trade receivables (net of advance received): (contd.)</b>										
12 Shasun USA Inc.	-	-	-	-	-	-	-	-	-	0.23
13 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	11.24	8.80
14 Strides CIS Limited	-	19.07	-	-	-	-	-	-	-	-
15 Strides Pharma Global Pte Limited	4,651.60	4,176.99	-	-	-	-	-	-	-	-
16 Stelis Biopharma Private Limited	0.02	-	-	-	-	138.20	-	-	-	-
17 Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	-	9.56
18 Tenshi Life Sciences Private Limited	-	-	-	-	-	-	-	-	5.81	11.61
19 Strides Consumer Private Limited	-	-	-	-	11.38	5.50	-	-	-	-
20 Strides Global Consumer Healthcare Limited	-	-	-	-	1.57	1.17	-	-	-	-
21 Strides Consumer LLC	-	-	-	-	9.27	29.00	-	-	-	-
22 Strides Pharma Inc.	-	13.48	-	-	-	-	-	-	-	-
23 Universal Corporation Limited	-	-	5.28	14.43	-	-	-	-	-	-
24 Vivimed Life Sciences Private Limited	297.54	258.79	-	-	-	-	-	-	-	-
25 Vensun Pharmaceuticals Inc	-	0.44	-	-	-	-	-	-	-	-
26 Strides Pharma (Cyprus) Limited	(91.64)	52.43	-	-	-	-	-	-	-	-
27 Fairmed Healthcare AG	-	-	-	-	311.22	105.69	-	-	-	-
28 Juno OTC Inc	-	-	-	-	-	17.29	-	-	-	-
<b>Dividend Receivable</b>										
1 Strides Pharma Asia Pte Limited	124.63	-	-	-	-	-	-	-	-	-
<b>Loan Receivable</b>										
1 Strides Consumer Private Limited	-	-	-	-	30.00	30.00	-	-	-	-
2 Vivimed Life Sciences Private Limited	822.21	725.80	-	-	-	-	-	-	-	-
<b>Balance of Deposit paid</b>										
1 Atma Projects	-	-	-	-	-	-	-	-	69.96	69.96
2 Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	33.23	33.23
<b>Balance of deposits received</b>										
1 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	(7.20)	(7.20)

## Notes

forming part of the standalone financial statements for the year ended March 31, 2021

Nature of Transactions	₹ In Million									
	Wholly Owned Subsidiaries		Other Subsidiaries		Associates / Joint venture		Directors /KMP/ Relatives of KMP		Enterprises owned or significantly influenced by directors or KMP or their relatives	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Other financial assets (liabilities) and other assets (liabilities)</b>										
1 Arrow Pharma (Private) Limited, Sri Lanka	0.09	0.09	-	-	-	-	-	-	-	-
2 Beltapharm S.p.A.	-	-	0.31	0.35	-	-	-	-	-	-
3 Stelis Biopharma Private Limited	-	-	-	-	(7.31)	27.48	-	-	-	-
4 Strides Consumer Private Limited	-	-	-	-	12.32	2.76	-	-	-	-
5 Strides Pharma Asia Pte Limited	7.68	-	-	-	-	-	-	-	-	-
6 Strides Pharma (Cyprus) Limited	5.37	(0.38)	-	-	-	-	-	-	-	-
7 Strides Pharma Canada Inc.,	(66.58)	-	-	-	-	-	-	-	-	-
8 Strides Pharma Global Pte Limited	50.07	251.08	-	-	-	-	-	-	-	-
9 Velbiom Probiotics Private Limited	-	-	-	-	-	-	-	-	5.86	5.86
10 Strides Pharma (UK) Limited, UK	(3.19)	(27.11)	-	-	-	-	-	-	-	-
11 Universal Corporation Limited	-	-	31.65	21.75	-	-	-	-	-	-
12 Vivimed Life Sciences Private Limited	7.68	50.67	-	-	-	-	-	-	-	-
13 Mr. Badree Komandur	-	-	-	-	-	-	(3.75)	(6.25)	-	-
14 Dr. R Ananthanarayanan	-	-	-	-	-	-	(18.00)	(8.50)	-	-
15 Mr. Arun Kumar	-	-	-	-	-	-	(1.00)	(10.00)	-	-
16 Mr. Deepak Vaidya	-	-	-	-	-	-	(1.19)	(1.00)	-	-
17 Dr. Kausalya Santhanam	-	-	-	-	-	-	(1.19)	(0.33)	-	-
18 Mr. S.Sridhar	-	-	-	-	-	-	(1.19)	(1.00)	-	-
19 Mr. Homi Rustam Khusrokhani	-	-	-	-	-	-	(1.19)	(1.00)	-	-
20 Mr. Bharat D Shah	-	-	-	-	-	-	(1.19)	(1.00)	-	-

### Related party transactions

Nature of Transactions	₹ In Million									
	Wholly Owned Subsidiaries		Other Subsidiaries		Associates / Joint venture		Directors /KMP/ Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
<b>Sales of materials/services</b>										
1 Amneal Pharmaceuticals Pty Limited	-	-	-	6.60	-	-	-	-	-	-
2 Strides Pharma (UK) Limited, UK	1,574.92	1,173.70	-	-	-	-	-	-	-	-

# Notes

forming part of the standalone financial statements for the year ended March 31, 2021

₹ In Million

Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		Associates / Joint venture		Directors /KMP/ Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
3 Strides Pharma (Cyprus) Limited	242.67	136.61	-	-	-	-	-	-	-	-
4 Strides Pharma Global Pte Limited	9,925.33	8,830.05	-	-	-	-	-	-	-	-
5 Strides Pharma Inc.	7.28	3.92	-	-	-	-	-	-	-	-
6 Strides Pharma Canada Inc.,	20.53	-	-	-	-	-	-	-	-	-
7 Strides CIS Limited	-	8.76	-	-	-	-	-	-	-	-
8 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	-	24.23
9 Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	0.01	0.14
10 Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	0.03	-
11 Universal Corporation Limited	-	-	17.02	10.43	-	-	-	-	-	-
12 Vensun Pharmaceuticals Inc	-	3.47	-	-	-	-	-	-	-	-
13 Fairmed Healthcare AG	-	-	379.51	-	-	102.79	-	-	-	-
14 Juno OTC Inc	-	-	-	-	3.19	17.46	-	-	-	-
15 Strides Consumer LLC	-	-	-	-	7.76	26.47	-	-	-	-
16 Svads Holding Sa	47.32	-	-	-	-	-	-	-	-	-
17 Strides Netherlands B.V	45.10	-	-	-	-	-	-	-	-	-
18 Strides South Africa Pty Ltd	-	-	30.63	-	-	-	-	-	-	-
19 Sihuan Strides (Hk) Limited	-	-	-	-	35.81	-	-	-	-	-
20 Steriscience Specialties Private Ltd	-	-	-	-	-	-	-	-	0.02	-
21 Strides Shasun Latina SA De CV	-	-	2.60	-	-	-	-	-	-	-
22 Vivimed Life Sciences Private Limited	456.34	179.93	-	-	-	-	-	-	-	-
23 Strides Consumer Private Limited	-	-	-	-	10.46	7.11	-	-	-	-
<b>Sale of intellectual property rights</b>										
1 Strides Pharma Global Pte Limited	363.47	754.41	-	-	-	-	-	-	-	-
<b>Purchase of intellectual property rights</b>										
1 Strides Pharma Canada Inc.,	66.55	-	-	-	-	-	-	-	-	-
2 Stelis Biopharma Private Limited	-	-	-	-	7.31	-	-	-	-	-
<b>Sale of investment</b>										
1 Strides Global Consumer Healthcare Limited	-	-	-	-	162.80	-	-	-	-	-
<b>Sale of property, plant and equipment</b>										
1 Stelis Biopharma Private Limited	-	-	-	-	2.93	-	-	-	-	-

# Notes

forming part of the standalone financial statements for the year ended March 31, 2021

₹ In Million

Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		Associates / Joint venture		Directors /KMP/ Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
2 Strides Pharma Global Pte Limited	4.77	0.73	-	-	-	-	-	-	-	-
3 Strides Pharma Inc.	51.39	-	-	-	-	-	-	-	-	-
3 Vivimed Life Sciences Private Limited	-	3.99	-	-	-	-	-	-	-	-
4 Naari Pharma Private Limited	-	-	-	-	-	-	-	-	-	0.01
5 Universal Corporation Limited	-	-	-	3.22	-	-	-	-	-	-
<b>Interest income</b>										
1 Stelis Biopharma Private Limited	-	-	-	-	-	7.26	-	-	-	-
2 Strides Consumer Private Limited	-	-	-	-	3.00	3.01	-	-	-	-
3 Vivimed Life Sciences Private Limited	93.47	54.01	-	-	-	-	-	-	-	-
<b>Guarantee commission income</b>										
1 Arrow Pharmaceuticals Pty Limited	-	-	-	2.69	-	-	-	-	-	-
2 Stelis Biopharma Private Limited	-	-	-	-	41.32	39.77	-	-	-	-
3 Strides Pharma Asia Pte Limited	124.50	141.91	-	-	-	-	-	-	-	-
4 Strides Pharma Global Pte Limited	63.83	103.52	-	-	-	-	-	-	-	-
5 Strides Pharma International Limited	-	127.68	-	-	-	-	-	-	-	-
6 Strides Pharma Inc.	14.04	21.36	-	-	-	-	-	-	-	-
7 Strides Pharma (UK) Limited, UK	10.03	1.15	-	-	-	-	-	-	-	-
8 Vivimed Life Sciences Private Limited	2.70	2.90	-	-	-	-	-	-	-	-
<b>Support service income</b>										
1 Arrow Pharmaceuticals Pty Limited	-	-	-	3.45	-	-	-	-	-	-
2 Strides Consumer Private Limited	-	-	-	-	1.20	2.48	-	-	-	-
3 Strides Global Consumer Healthcare Limited	-	-	-	-	0.45	0.40	-	-	-	-
4 Strides Consumer LLC	-	-	-	-	0.45	0.40	-	-	-	-
5 Strides Pharma (Cyprus) Limited	23.67	42.64	-	-	-	-	-	-	-	-
6 Strides Pharma Global Pte Limited	11.80	9.96	-	-	-	-	-	-	-	-
<b>Rental income from operating leases</b>										
1 Arco Lab Private Limited	38.26	30.74	-	-	-	-	-	-	-	-

# Notes

forming part of the standalone financial statements for the year ended March 31, 2021

₹ In Million

Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		Associates / Joint venture		Directors /KMP/ Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
2 Strides Consumer Private Limited	-	-	-	-	0.96	0.76	-	-	-	-
3 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	15.24	14.46
4 Vivimed Life Sciences Private Limited	0.03	-	-	-	-	-	-	-	-	-
<b>Dividend income</b>										
1 Strides Pharma Asia Pte Limited	353.70	137.87	-	-	-	-	-	-	-	-
<b>Purchase of materials/services</b>										
1 Aurore Life Sciences Private Limited	-	-	-	-	-	-	-	-	295.79	0.48
2 Aurore Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	28.16	-
3 Beltapharm S.p.A.	-	-	1.62	-	-	-	-	-	-	-
4 SeQuent Research Limited	-	-	-	-	-	-	-	-	0.08	3.11
5 Strides Pharma Global Pte Limited	77.73	38.45	-	-	-	-	-	-	-	-
6 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	2,252.71	2,680.50
7 Universal Corporation Limited	-	-	10.26	28.07	-	-	-	-	-	-
8 Vivimed Life Sciences Private Limited	102.60	18.92	-	-	-	-	-	-	-	-
9 Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	0.12	0.38
<b>Support service expenses</b>										
1 Arco Lab Private Limited	569.43	441.10	-	-	-	-	-	-	-	-
2 Strides Consumer Private Limited	-	-	-	-	1.08	-	-	-	-	-
3 Strides Pharma Inc.	-	23.53	-	-	-	-	-	-	-	-
<b>Purchase of assets</b>										
1 Strides Pharma Inc.	-	15.75	-	-	-	-	-	-	-	-
2 Strides Pharma Global Pte Limited	21.01	-	-	-	-	-	-	-	-	-
3 Vivimed Life Sciences Private Limited	3.08	-	-	-	-	-	-	-	-	-
<b>Reimbursement of expenses incurred by</b>										
1 Arco Lab Private Limited	-	14.82	-	-	-	-	-	-	-	-
2 Aurore Life Sciences Private Limited	-	-	-	-	-	-	-	-	0.09	-
3 Beltapharm S.p.A.	-	-	-	1.32	-	-	-	-	-	-
4 Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	-	2.81
5 Fairmed Healthcare AG	-	-	1.15	-	-	-	-	-	-	-
6 Fair-Med Healthcare GmbH	-	-	22.45	-	-	-	-	-	-	-
7 SeQuent Scientific Limited	-	-	-	-	-	-	-	-	-	1.38

# Notes

forming part of the standalone financial statements for the year ended March 31, 2021

₹ In Million

Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		Associates / Joint venture		Directors /KMP/ Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
8 Strides Consumer Private Limited	-	-	-	-	-	-	0.01	-	-	-
9 Strides Lifesciences Limited	0.34	-	-	-	-	-	-	-	-	-
10 Strides Pharma (UK) Limited, UK	38.68	33.19	-	-	-	-	-	-	-	-
11 Strides Pharma (Cyprus) Limited	1.79	0.70	-	-	-	-	-	-	-	-
12 Strides Pharma Global Pte Limited	0.19	-	-	-	-	-	-	-	-	-
13 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	167.12	148.38
14 Strides Pharma Inc.	3.85	3.60	-	-	-	-	-	-	-	-
15 Velbiom Probiotics Private Limited	-	-	-	-	-	-	-	-	-	0.15
16 Universal Corporation Limited	-	-	0.61	-	-	-	-	-	-	-
<b>Reimbursement of expenses incurred on behalf of</b>										
1 Arrow Pharmaceuticals Pty Limited	-	-	-	1.90	-	-	-	-	-	-
2 Arco Lab Private Limited	32.90	23.55	-	-	-	-	-	-	-	-
3 Beltapharm S.p.A.	-	-	-	0.48	-	-	-	-	-	-
4 Fairmed Healthcare AG	-	-	2.12	-	-	-	-	-	-	-
5 Naari Pharma Private Limited	-	-	-	-	-	-	-	-	-	2.94
6 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	23.82	16.02
7 Stelis Biopharma Private Limited	-	-	-	-	2.42	15.72	-	-	-	-
8 Strides Consumer Private Limited	-	-	-	-	20.61	6.24	-	-	-	-
9 Strides Pharma Global Pte Limited	252.40	208.38	-	-	-	-	-	-	-	-
10 Strides Pharma (Cyprus) Limited	4.42	3.09	-	-	-	-	-	-	-	-
11 Strides Pharma Asia Pte Limited	7.68	31.10	-	-	-	-	-	-	-	-
15 Strides Pharma Inc.	17.82	25.14	-	-	-	-	-	-	-	-
16 Strides Pharma (UK) Limited, UK	41.43	65.41	-	-	-	-	-	-	-	-
<b>Reimbursement of expenses incurred on behalf of</b>										
17 Steriscience Specialties Private Ltd	-	-	-	-	-	-	-	-	0.08	-
18 Tenshi Life Sciences Private Limited	-	-	-	-	-	-	-	-	13.41	5.23
19 Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	-	2.94
20 Universal Corporation Limited	-	-	10.63	10.59	-	-	-	-	-	-

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₹ In Million

Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		Associates / Joint venture		Directors /KMP/ Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
21 Vivimed Life Sciences Private Limited	38.39	24.94	-	-	-	-	-	-	-	-
<b>Lease Payments</b>										
1 Atma Projects	-	-	-	-	-	-	-	-	85.21	68.45
2 Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	40.65	29.00
3 Devendra Estates LLP	-	-	-	-	-	-	-	-	3.32	3.33
4 Strides Pharma Global Pte Limited	11.83	-	-	-	-	-	-	-	-	-
<b>Loans / advances given / repaid by Company</b>										
1 Aurore Life Sciences Private Limited	-	-	-	-	-	-	-	-	-	15.75
2 Vivimed Life Sciences Private Limited	451.46	766.60	-	-	-	-	-	-	-	-
<b>Loans / advances taken by Company / repaid to Company</b>										
1 Stelis Biopharma Private Limited	-	-	-	-	-	250.00	-	-	-	-
2 Vivimed Life Sciences Private Limited	355.06	207.00	-	-	-	-	-	-	-	-
<b>Investments during the year</b>										
1 Stelis Biopharma Private Limited	-	-	-	-	2,369.95	905.04	-	-	-	-
2 Strides Arcolab International Limited	-	854.87	-	-	-	-	-	-	-	-
<b>Share application money paid</b>										
1 Stelis Biopharma Private Limited	-	-	-	-	-	25.00	-	-	-	-
<b>Refund of Share application money</b>										
1 Strides Arcolab International Limited	-	0.09	-	-	-	-	-	-	-	-
<b>Lease deposit paid</b>										
1 Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	-	15.56
2 Atma Projects	-	-	-	-	-	-	-	-	-	19.83
<b>Donation Paid</b>										
1 Strides Foundation Trust	-	-	-	-	-	-	-	-	26.60	20.20
<b>Short term employee benefits paid to (Refer note (i) below)</b>										
1 Mr. Arun Kumar	-	-	-	-	-	-	6.27	72.08	-	-
2 Dr. R Ananthanarayanan	-	-	-	-	-	-	177.32	32.97	-	-
3 Mr. Badree Komandur	-	-	-	-	-	-	41.26	37.20	-	-
4 Ms. Manjula Ramamurthy	-	-	-	-	-	-	4.72	3.99	-	-
<b>Employee stock option expenses</b>										
1 Mr. Badree Komandur	-	-	-	-	-	-	0.93	1.65	-	-
2 Ms. Manjula Ramamurthy	-	-	-	-	-	-	0.19	0.33	-	-

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₹ In Million

Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		Associates / Joint venture		Directors /KMP/ Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
<b>Sitting fees paid</b>										
1 Dr. Kausalya Santhanam	-	-	-	-	-	-	1.70	0.40	-	-
2 Mr. Arun Kumar	-	-	-	-	-	-	0.50	-	-	-
3 Mr. Deepak Vaidya	-	-	-	-	-	-	1.70	1.20	-	-
4 Mr. S.Sridhar	-	-	-	-	-	-	1.70	1.20	-	-
5 Mr. Homi Rustam Khusrokhan	-	-	-	-	-	-	1.70	1.00	-	-
6 Mrs. Sangita Reddy	-	-	-	-	-	-	-	0.30	-	-
7 Mr. Bharat D Shah	-	-	-	-	-	-	1.70	1.20	-	-
<b>Remuneration to Non-executive directors</b>										
1 Mr. Deepak Vaidya	-	-	-	-	-	-	1.00	1.00	-	-
2 Mr. Arun Kumar	-	-	-	-	-	-	1.00	-	-	-
3 Dr. Kausalya Santhanam	-	-	-	-	-	-	1.00	0.33	-	-
4 Mr. S.Sridhar	-	-	-	-	-	-	1.00	1.00	-	-
5 Mr. Homi Rustam Khusrokhan	-	-	-	-	-	-	1.00	1.00	-	-
6 Mr. Bharat D Shah	-	-	-	-	-	-	1.00	1.00	-	-

**Notes**

i. The compensation excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

**Note No.45 Lease arrangements**

**A. The Company as lessor:**

**Leasing arrangement**

The Company has entered into operating lease arrangements for lease of factory land and building for a term ranging from 4 to 18 years with non-cancellable lease period of 4 to 8 years. Details relating to these assets and minimum lease rentals receivable are as follows:

₹ In Million

Particulars	March 31, 2021	March 31, 2020 (Restated)
Gross carrying amount of assets leased	960.24	960.24
Accumulated depreciation	281.89	236.67
<b>Future minimum lease income:</b>		
Not later than one year	27.98	82.73
Later than one year but not later than 5 years	16.04	44.02
Later than 5 years	-	-
<b>Total</b>	<b>44.02</b>	<b>126.75</b>

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### Note No.46 Earnings per share

Particulars	Year ended	
	March 31, 2021	March 31, 2020 (Restated)
<b>Profit attributable to the equity holders of the Company</b>	782.40	1,202.75
<b>Weighted average number of equity shares used for computation of basic earnings per share</b>	<b>89,609,605</b>	<b>89,553,029</b>
Add : Effect of potentially dilutive equity shares - Employee Stock option	99,798	29,126
<b>Weighted average number of equity shares used for computation of diluted earnings per share</b>	<b>89,709,403</b>	<b>89,582,155</b>
<b>Earnings per share</b>		
Basic	8.73	13.43
Diluted	<b>8.72</b>	<b>13.43</b>

### Note No.47 Financial instruments

#### 47.1 Categories of financial instruments

Particulars	Year ended	
	March 31, 2021	March 31, 2020 (Restated)
<b>Financial assets:</b>		
<i>Measured at amortised cost</i>		
(a) Cash and bank balances	733.19	1,105.65
(b) Loans receivable	1,102.46	987.53
(c) Trade receivables	8,216.65	6,556.13
(d) Share application money pending allotment	-	25.00
(e) Receivables from related parties	110.58	281.44
(f) Dividend receivable from subsidiaries	124.63	-
(g) Other financial assets at amortised cost	65.02	98.57
<i>Measured at FVTOCI</i>		
(a) Fair value of derivatives designated in a cash flow hedge	64.54	6.28
<b>Financial liabilities:</b>		
<i>Measured at FVTOCI</i>		
(a) Derivative financial liabilities	-	332.83
<i>Measured at FVTPL</i>		
(a) Cash settled share based payments	52.80	-
<i>Measured at amortised cost</i>		
(a) Borrowings including current maturities of non current borrowings	8,789.38	8,526.07
(b) Lease Liabilities	385.21	489.66
(c) Security deposit	39.59	36.90
(d) Trade payables	7,567.05	4,898.74
(e) Unclaimed dividends	21.68	59.84
(f) Payable to subsidiaries	32.81	27.50
(g) Other Financial Liabilities	283.14	192.69

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### Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

### Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets / financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2021	March 31, 2020 (Restated)		
<b>Financial assets:</b>				
Foreign currency forward contracts designated in hedge accounting relationships (FVTOCI)	64.54	6.28	Level 2	The fair value of forward foreign contracts are determined using spot and forward exchange rates at the balance sheet date.
<b>Financial liabilities:</b>				
Foreign currency forward contracts designated in hedge accounting relationships (FVTOCI)	-	332.83	Level 2	The fair value of forward foreign contracts are determined using forward exchange rates at the balance sheet date.
Cash settled share based payments (FVTPL)	52.80	-	Level 3	The fair value of cash settled share based payments is determined using Black Scholes model. Significant input is underlying value of the equity shares of the company.

### Sensitivity of unobservable inputs used in Level 3 fair value measurements

#### Reconciliation of Level 3 fair value measurements

Particulars	Year ended	
	March 31, 2021	March 31, 2020 (Restated)
Opening balance	-	750.00
Addition	-	-
Disposal / settlements	-	(750.00)
<b>Closing balance</b>	<b>-</b>	<b>-</b>

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### 47.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the Company considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements at amortised cost will reasonably approximate their fair values.

₹ In Million

Particulars	March 31, 2021		March 31, 2020 (Restated)	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>				
Loans	852.21	852.21	755.80	755.80
Security deposit	214.59	214.98	207.76	209.01
<b>Financial liabilities</b>				
Borrowings	8,789.38	8,817.90	8,526.07	8,526.07
Lease liabilities	385.21	385.21	489.66	489.66
Security deposit	39.59	40.83	36.90	40.94

### 47.3 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivatives financial instruments to mitigate foreign exchange related risk exposures. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes maybe undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

#### Foreign currency risk management

The Company is exposed to foreign exchange risk due to:

- debt availed in foreign currency
- net investments in subsidiaries and joint ventures that are in foreign currencies
- exposure arising from transactions relating to purchases, revenues, expenses, etc., to be settled (within and outside the group) in currencies other than the functional currency (i.e Indian rupees)"

Exchange rate exposures are managed within approved policy parameters by utilising forward foreign exchange contracts.

#### 47.3.1 Forward foreign exchange contracts

It is the policy of the Company to enter into forward foreign exchange contracts to cover the following:

- repayments of specific foreign currency borrowings.
- forecast sales transactions

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### The following table details the forward foreign currency contracts outstanding at the end of the reporting period:

#### Contracts designated in a cash flow hedge

Outstanding contracts	Underlying Exposure	Average exchange rate (₹)	Foreign currency (In Million)	Nominal amounts (₹ In Million)	Fair value assets/ (liabilities) (₹ In Million)
<b>As at March 31, 2021</b>					
<b>Sell USD</b>	Forecast sales				
Less than 3 months		77.01	15.00	1,155.28	1,208.78
<b>Sell GBP</b>	Forecast sales				
6 to 12 months		106.67	6.00	640.04	651.08
<b>Total</b>				<b>1,795.32</b>	<b>1,859.86</b>
<b>As at March 31, 2020 (Restated)</b>					
<b>Sell USD</b>	Forecast sales				
Less than 3 months		73.23	30.00	2,196.79	2,110.62
3 to 6 months		74.16	30.00	2,224.78	2,144.54
6 to 12 months		75.15	60.00	4,509.19	4,345.49
<b>Sell EUR</b>	Forecast sales				
Less than 3 months		83.82	0.30	25.15	25.36
<b>Sell GBP</b>	Forecast sales				
Less than 3 months		94.83	2.25	213.36	214.83
3 to 6 months		95.77	2.25	215.47	216.82
6 to 12 months		96.52	0.75	72.39	72.92
<b>Total</b>				<b>9,457.13</b>	<b>9,130.58</b>

The line-items in the balance sheet that include the above hedging instruments are - Other financial assets (Refer note 10(ii)) & Other current financial liabilities (Refer note 21(ii))

The details of unhedged foreign currency exposure as reported to key management personnel of the Company are as follows:

₹ In Million

Receivable/(payable) / cash and bank/ (borrowings)	As at March 31, 2021		As at March 31, 2020 (Restated)	
	in foreign currency	in ₹	in foreign currency	in ₹
USD	(17.24)	(1,261.55)	(29.26)	(2,205.91)
AUD	19.15	1,063.91	12.51	578.11
EUR	3.53	302.72	2.02	167.45
CAD	1.45	84.22	2.13	114.11
GBP	6.37	641.86	1.87	175.11
SGD	0.00	0.17	0.07	3.45
JPY	-	-	(0.38)	(0.27)
AED	-	-	0.01	0.12
LKR	0.04	0.01	0.05	0.02
CHF	(0.00)	(0.09)	(0.04)	(2.97)

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### 47.3.2 Foreign currency sensitivity analysis

Financial instruments affected by changes in foreign exchange rates include loans in foreign currencies and receivables/payables from/to subsidiaries and joint ventures. The Company considers US Dollar, Australian Dollar and the Euro to be principal currencies which require monitoring and risk mitigation. The Company is exposed to volatility in other currencies including the Great Britain Pounds (GBP), United States Dollar (USD), Euro (EUR), Canadian Dollar (CAD) and the Australian Dollar (AUD). The impact on account of 5% appreciation / depreciation in the exchange rate of the above foreign currencies against ₹ is given below:

₹ In Million

Particulars	Increase / (decrease) in equity		Increase / (decrease) in profit	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Appreciation in the USD	(39.30)	(82.49)	(41.04)	(71.75)
Depreciation in the USD	39.30	82.49	41.04	71.75
Appreciation in the EUR	9.85	5.45	9.85	5.45
Depreciation in the EUR	(9.85)	(5.45)	(9.85)	(5.45)
Appreciation in the AUD	34.61	18.80	34.61	18.80
Depreciation in the AUD	(34.61)	(18.80)	(34.61)	(18.80)
Appreciation in the CAD	2.74	3.71	2.74	3.71
Depreciation in the CAD	(2.74)	(3.71)	(2.74)	(3.71)
Appreciation in the GBP	21.24	5.80	20.88	5.70
Depreciation in the GBP	(21.24)	(5.80)	(20.88)	(5.70)

The impact on profit has been arrived at by applying the effects of appreciation / depreciation effects of currency on the net position (Assets in foreign currency - Liabilities in foreign currency) in the respective currencies.

For the purposes of the above table, it is assumed that the carrying value of the financial assets and liabilities as at the end of the respective financial years remains constant thereafter. The exchange rate considered for the sensitivity analysis is the exchange rate prevalent as at each year end.

The sensitivity analysis might not be representative of inherent foreign exchange risk due to the fact that the foreign exposure at the end of the reporting period might not reflect the exposure during the year.

### 47.4 Interest rate risk management

Interest rate risk arises from borrowings. Debt issued at variable rates exposes the Company to cash flow risk. Debt issued at fixed rate exposes the Company to fair value risk.

#### 47.4.1 Interest rate sensitivity analysis

Financial instruments affected by interest rate changes include secured long term loans from banks and secured long term loans from others. The impact of a 1% change in interest rates on the profit of an annual period will be ₹ 88.18 Million (March 31, 2020: 85.26 Million) assuming the loans at each year end remain constant during the respective years. This computation does not involve a revaluation of the fair value of loans as a consequence of changes in interest rates. The computation also assumes that an increase in interest rates on floating rate liabilities will not necessarily involve an increase in interest rates on floating rate financial assets.

### 47.5 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk to the company primarily arises from trade receivables. Credit risk also arises from cash and cash equivalents, financial instruments and deposits with banks and financial institutions and other financial assets.

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company has an internal mechanism of determining the credit rating of the customers and setting credit limits. Credit

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exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Company is not significantly exposed to geographical credit risk as the counterparties operate across various countries across the globe.

Credit risk on cash and cash equivalent and derivatives is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

In determining the allowance for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates as given in the provision matrix. The Provision matrix at the end of reporting period as follows:

₹ In Million

Ageing of Receivable	Gross carrying amount as at March 31, 2021	Allowance for credit loss as at March 31, 2021
Not Due	5,993.41	28.05
Less than 180 Days	1,997.90	38.68
180-360 Days	132.71	1.45
360-540 Days	67.95	26.98
540-720 Days	65.46	59.82
Over 720 Days	207.64	93.44
<b>Total</b>	<b>8,465.07</b>	<b>248.42</b>

₹ In Million

Ageing of Receivable	Gross carrying amount as at March 31, 2020 (Restated)	Allowance for credit loss as at March 31, 2020 (Restated)
Not Due	4,912.17	8.74
Less than 180 Days	1,239.17	12.05
180-360 Days	202.58	20.83
360-540 Days	333.12	100.73
540-720 Days	23.93	23.17
Over 720 Days	15.81	5.13
<b>Total</b>	<b>6,726.78</b>	<b>170.65</b>

### Movement in expected credit loss allowance

₹ In Million

Particulars	March 31, 2021	March 31, 2020 (Restated)
Balance at the beginning of the year	170.65	92.23
Written off during the year	(115.00)	(19.79)
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	192.77	98.21
<b>Total</b>	<b>248.42</b>	<b>170.65</b>



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### 47.6 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual short term and long term cash flows, and by matching the maturity profiles of financial assets and liabilities. A portion of the company's surplus cash is retained as investments in Liquid Mutual Funds to fund short term requirements.

#### 47.6.1 Liquidity analysis for non-derivative liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Financial Liabilities	Due within (years)						Total	Carrying Amount
	1	1 to 2	2 to 3	3 to 4	4 to 5	beyond 5		
₹ In Million								
<b>Bank and other borrowings</b>								
- As on March 31, 2021	7,313.99	439.31	405.74	405.31	253.55	-	8,817.90	8,789.38
- As on March 31, 2020 (Restated)	8,526.07	-	-	-	-	-	8,526.07	8,526.07
<b>Interest payable on borrowings</b>								
- As on March 31, 2021	5.20	-	-	-	-	-	5.20	5.20
- As on March 31, 2020 (Restated)	39.23	-	-	-	-	-	39.23	39.23
<b>Lease liabilities</b>								
- As on March 31, 2021	153.97	137.67	69.67	57.75	24.44	6.11	449.61	385.21
- As on March 31, 2020 (Restated)	144.34	153.97	137.67	69.67	57.75	30.56	593.96	489.66
<b>Trade and other payable not in borrowings</b>								
- As on March 31, 2021	7,952.28	-	-	-	-	40.83	7,993.11	7,991.87
- As on March 31, 2020 (Restated)	5,139.54	-	-	-	-	40.94	5,180.48	5,176.44

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### 47.6.2 Liquidity analysis for derivative financial instruments-

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. Outflows are represented in brackets in table below:

Particulars	₹ In Million					
	Total	less than 3 months	3 to 6 months	6 months to 1 year	1-5 years	5+ years
<b>March 31, 2021</b>						
<b>Net settled:</b>						
- foreign exchange forward contracts	64.54	53.50	-	11.04	-	-
<b>Total</b>	<b>64.54</b>	<b>53.50</b>	<b>-</b>	<b>11.04</b>	<b>-</b>	<b>-</b>
<b>March 31, 2020 (Restated)</b>						
<b>Net settled:</b>						
- foreign exchange forward contracts	(326.55)	(84.49)	(78.89)	(163.17)	-	-
<b>Total</b>	<b>(326.55)</b>	<b>(84.49)</b>	<b>(78.89)</b>	<b>(163.17)</b>	<b>-</b>	<b>-</b>

### 47.7 COVID-19

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The actual impact of this global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Company has considered available internal and external information while finalising various estimates in relation to its financial statements upto the date of approval of the financial statements by the Board of Directors. The Company will continue to closely monitor any material changes to future economic conditions. However, the pandemic did not have any material impact on the financial statements for the year ended March 31, 2021.

### Note No.48 Capital management

The Company manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in notes 20 and 21(ii) offset by cash and bank balances) and total equity.

The Company reviews the capital structure on a quarterly basis to ensure that it is in compliance with the required covenants. The Company has a target gearing ratio of 1:1 determined as the proportion of net debt to total equity. The gearing ratio at March 31, 2021 is 0.25.

The Company is not subject to any externally imposed capital requirements.

## Notes

forming part of the standalone financial statements for the year ended March 31, 2021

### 48.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows.

Particulars	₹ In Million	
	March 31, 2021	March 31, 2020 (Restated)
Debt (i)	8,789.38	8,526.07
Less:		
Cash and bank balances	(733.19)	(1,105.65)
<b>Net Debt (A)</b>	<b>8,056.19</b>	<b>7,420.42</b>
<b>Total Equity (B)</b>	<b>32,480.58</b>	<b>31,587.86</b>
<b>Net debt to equity ratio (A/B)</b>	<b>0.25</b>	<b>0.23</b>

(i) Debt is defined as long-term borrowings, current maturities of long-term borrowings and short-term borrowings.

### Note No.49 Other matters :

- (a) In respect of freehold land to the extent of 4.69 acres (as at March 31, 2021 gross block and net block amounting to ₹ 174.30 Million) capitalised in the books of the Company, the title deeds are under dispute. The Company based on its internal assessment believes that it has title deed in its name and it will be able to defend any counter claims on such parcel of land under dispute.
- (b) The title deeds of freehold land and building admeasuring 20.58 acres (as at March 31, 2021 gross block ₹ 702.60 Million and net block of ₹ 480.43 Million) capitalised in the books of the Company are in the name of erstwhile Companies which were merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Courts of judicature. The Company is in the process transferring the title deeds of such properties in its name.
- (c) In respect of building admeasuring 750 sq. ft. (as at March 31, 2021 gross block of ₹ 3.55 Million and net block ₹ 1.17 Million) capitalised in the books of the Company, the title deeds are not in the name of the Company. The Company is in the process of transferring the title deeds of such building in its name.

### Note No.50 Transfer Pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law required existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international as well as domestic transactions entered into with the associated enterprise during the financial year and expects such records to be in existence as required by law. The Management is of the opinion that its international as well as domestic transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for tax.

**Note No.51** During the year ended March 31, 2021, no material foreseeable loss (March 31, 2020: Nil) was incurred for any long-term contract including derivative contracts.

**Note No.52** The Board of Directors of the Company on October 29, 2020 have approved the Scheme of Amalgamation ('the Scheme') u/s 230 to 232 of the Companies Act, 2013, between Strides Pharma Science Limited and Vivimed Lifesciences Private Limited with an appointed date of October 1, 2020. The Scheme is yet to be filed with National Company Law Tribunal(NCLT) for approval.

## Notes

forming part of the standalone financial statements for the year ended March 31, 2021

**Note No.53** On February 4, 2021, the Board of Directors of the Company have approved in principle, the demerger of its bio-pharma business under Stelis Biopharma Private Limited. The transaction is subject to approval from shareholders, regulatory approvals and meeting customary closing conditions.

**Note No.54** The previous year's figures have been re-grouped/ reclassified, where necessary to confirm to current year's classification.

### Note No.55 Events after reporting period

On May 27, 2021, the Board of Directors of the Company has proposed a final dividend of ₹ 2.50 per equity share. The proposed dividend is subject to approval of the shareholders in the annual general meeting.

The accompanying notes are an integral part of the Standalone financial statements

As per our report of even date attached

for **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration Number: 101248W/W-100022

**for and on behalf of Board of Directors of Strides Pharma Science Limited**

**Sampad Guha Thakurta**  
Partner  
Membership Number 060573  
Bengaluru, May 27, 2021

**Dr. R. Ananthanarayanan**  
Managing Director & CEO  
DIN: 02231540

**Badree Komandur**  
Executive Director - Finance & Group CFO  
DIN: 07803242

**Manjula R.**  
Company Secretary  
Membership Number A30515

### Equity History of the Company

Date	Particulars	Number of Shares Issued	Cumulative Number of Shares Issued	Face Value per share (₹)	Equity Share Capital issued (₹)	Equity Share Capital (Cumulative) (₹)
28-Jun-90	Subscribers to Memorandum of Association	50	50	100	5,000	5,000
31-Jan-91	Preferential Issue	4,010	4,060	100	4,01,000	4,06,000
29-Mar-91	Preferential Issue	1,940	6,000	100	1,94,000	6,00,000
31-Mar-92	Preferential Issue	4,000	10,000	100	4,00,000	10,00,000
28-Jan-93	Preferential Issue	15,000	25,000	100	15,00,000	25,00,000
11-Mar-94	Preferential Issue	20	25,020	100	2,000	25,02,000
11-Apr-94	Reclassification of nominal value of shares from ₹100 each to ₹10 each	-	2,50,200	10	-	25,02,000
30-Apr-94	Issue of Bonus Shares	12,51,000	15,01,200	10	1,25,10,000	1,50,12,000
01-Sep-94	Preferential Issue	11,60,300	26,61,500	10	1,16,03,000	2,66,15,000
01-Sep-94	Allotment pursuant to exercise of stock options	22,950	26,84,450	10	2,29,500	2,68,44,500
22-Jan-97	Preferential Issue	9,18,980	36,03,430	10	91,89,800	3,60,34,300
06-Dec-97	Preferential Issue	4,00,000	40,03,430	10	40,00,000	4,00,34,300
13-May-99	Preferential Issue on conversion of Fully Convertible Debentures	43,63,636	83,67,066	10	4,36,36,360	8,36,70,660
13-May-99	Preferential Issue	2,21,000	85,88,066	10	22,10,000	8,58,80,660
13-Jul-99	Preferential Issue	5,16,500	91,04,566	10	51,65,000	9,10,45,660
24-Aug-99	Allotment to erstwhile shareholders of Remed Laboratories (India) Limited consequent to its amalgamation with the Company (3 shares of Strides for 2 shares of Remed Laboratories)	12,00,000	1,03,04,566	10	1,20,00,000	10,30,45,660
24-Aug-99	Preferential Issue	17,02,000	1,20,06,566	10	1,70,20,000	12,00,65,660
24-Aug-99	Allotment to erstwhile shareholders of Global Remedies Private Limited consequent to its acquisition by the Company (1 share of Strides for every 4 shares of Global Remedies)	50,000	1,20,56,566	10	5,00,000	12,05,65,660
22-Sep-99	Preferential Issue	8,50,000	1,29,06,566	10	85,00,000	12,90,65,660
07-Dec-99	Allotment to erstwhile shareholders of Plama Laboratories Limited consequent to its amalgamation with the Company (1 share of Strides for every 8 shares of Plama Laboratories)	7,12,500	1,36,19,066	10	71,25,000	13,61,90,660
27-Jun-01	Preferential Issue on conversion of Cumulative Convertible Preference Shares	31,44,445	1,67,63,511	10	3,14,44,450	16,76,35,110
24-Jan-02	Allotment to erstwhile shareholders of Bombay Drugs & Pharma Limited consequent to its amalgamation with the Company. (1 share of Strides for every 20 shares of Bombay Drugs & Pharma Limited)	2,10,955	1,69,74,466	10	21,09,550	16,97,44,660
14-Feb-02	Preferential Issue	1,37,14,286	3,06,88,752	10	13,71,42,860	30,68,87,520
11-Dec-03	Preferential Issue on conversion of warrants	30,68,875	3,37,57,627	10	3,06,88,750	33,75,76,270
02-Feb-05	Preferential Issue	11,96,662	3,49,54,289	10	1,19,66,620	34,95,42,890
05-Jul-07	Preferential Issue on conversion of warrants	50,000	3,50,04,289	10	5,00,000	35,00,42,890
08-Mar-08	Preferential Issue on conversion of Convertible Debentures	40,00,000	3,90,04,289	10	4,00,00,000	39,00,42,890

Date	Particulars	Number of Shares Issued	Cumulative Number of Shares Issued	Face Value per share (₹)	Equity Share Capital issued (₹)	Equity Share Capital (Cumulative) (₹)
17-Jun-08	Preferential Issue on conversion of Convertible Debentures	10,45,725	4,00,50,014	10	1,04,57,250	40,05,00,140
13 Aug 2009 to 03 Dec 2009	Allotment pursuant to exercise of stock options	1,65,600	4,02,15,614	10	16,56,000	40,21,56,140
19-Jan-10	Allotment to erstwhile shareholders of Grandix Pharmaceuticals Limited consequent to its amalgamation with the Company. (100 shares of Strides for every 213 shares of Grandix Pharma)	12,822	4,02,28,436	10	1,28,220	40,22,84,360
19-Jan-10	Allotment to erstwhile shareholders of Grandix Laboratories Limited consequent to its amalgamation with the Company. (100 shares of Strides for every 23 shares of Grandix Laboratories Limited)	702	4,02,29,138	10	7,020	40,22,91,380
24-Feb-10	Preferential Issue on conversion of warrants	25,60,000	4,27,89,138	10	2,56,00,000	42,78,91,380
15-Mar-10	Preferential Issue on conversion of warrants	4,20,000	4,32,09,138	10	42,00,000	43,20,91,380
22 April 10 to 24 Aug 10	Allotment pursuant to exercise of stock options	4,92,000	4,37,01,138	10	49,20,000	43,70,11,380
26-Aug-10	Preferential Issue on conversion of warrants	32,20,000	4,69,21,138	10	3,22,00,000	46,92,11,380
01-Oct-10	Allotment under QIP 2010	1,07,42,533	5,76,63,671	10	10,74,25,330	57,66,36,710
4 Oct 10 to 16 Nov 10	Allotment pursuant to exercise of stock options	81,000	5,77,44,671	10	8,10,000	57,74,46,710
24 Feb 11 to 15 Oct 11	Allotment pursuant to exercise of stock options	6,35,500	5,83,80,171	10	63,55,000	58,38,01,710
4 Feb 12 to 19 Oct 12	Allotment pursuant to exercise of stock options	4,23,550	5,88,03,721	10	42,35,500	58,80,37,210
12 Feb 13 to 18 Dec 13	Allotment pursuant to exercise of stock options	7,61,900	5,95,65,621	10	76,19,000	59,56,56,210
24 Feb 15 to 22 May 15	Allotment pursuant to exercise of stock options	60,000	5,96,25,621	10	6,00,000	59,62,56,210
20-Nov-15	Upon Amalgamation of Shasun Pharmaceuticals with Strides (5 shares of Strides for every 16 shares of Shasun)	2,10,17,329	8,06,42,950	10	21,01,73,290	80,64,29,500
23-Dec-15	Allotment under QIP 2015	86,28,028	8,92,70,978	10	8,62,80,280	89,27,09,780
07-Mar-16	Allotment pursuant to exercise of stock options	75,000	8,93,45,978	10	7,50,000	89,34,59,780
05-May-16	Allotment pursuant to exercise of stock options	20,000	8,93,65,978	10	2,00,000	89,36,59,780
28-Oct-16	Allotment pursuant to exercise of stock options	2,717	8,93,68,695	10	27,170	89,36,86,950
11-Feb-17	Allotment pursuant to exercise of stock options	4,311	8,93,73,006	10	43,110	89,37,30,060
16-Mar-17	Allotment pursuant to exercise of stock options	50,000	8,94,23,006	10	5,00,000	89,42,30,060
10-Jun-17	Allotment pursuant to exercise of stock options	50,000	8,94,73,006	10	5,00,000	89,47,30,060
20-Jul-17	Allotment pursuant to exercise of stock options	20,000	8,94,93,006	10	2,00,000	89,49,30,060
31-Oct-17	Allotment pursuant to exercise of stock options	5,654	8,94,98,660	10	56,540	89,49,86,600

Date	Particulars	Number of Shares Issued	Cumulative Number of Shares Issued	Face Value per share (₹)	Equity Share Capital issued (₹)	Equity Share Capital (Cumulative) (₹)
09-Feb-18	Allotment pursuant to exercise of stock options	1,375	8,95,00,035	10	13,750	89,50,00,350
06-Apr-18	Allotment pursuant to exercise of stock options	48,878	8,95,48,913	10	4,88,780	89,54,89,130
27-Dec-18	Allotment pursuant to exercise of stock options	563	8,95,49,476	10	5,630	89,54,94,760
25-Oct-19	Allotment pursuant to exercise of stock options	3,350	8,95,52,826	10	33,500	89,55,28,260
30-Jan-20	Allotment pursuant to exercise of stock options	12,638	8,95,65,464	10	1,26,380	89,56,54,640
20-May-20	Allotment pursuant to exercise of stock options	2,200	8,95,67,664	10	22,000	89,56,76,640
05-Aug-20	Allotment pursuant to exercise of stock options	25,600	8,95,93,264	10	2,56,000	89,59,32,640
31-Aug-20	Allotment pursuant to exercise of stock options	32,400	8,96,25,664	10	3,24,000	89,62,56,640
29-Oct-20	Allotment pursuant to exercise of stock options	9,750	8,96,35,414	10	97,500	89,63,54,140
04-Feb-21	Allotment pursuant to exercise of stock options	10,400	8,96,45,814	10	1,04,000	89,64,58,140
12-Mar-21	Allotment pursuant to exercise of stock options	15,150	8,96,60,964	10	1,51,500	89,66,09,640
31-Mar-21	Allotment pursuant to exercise of stock options	20,000	8,96,80,964	10	2,00,000	89,68,09,640
27-May-21	Allotment pursuant to exercise of stock options	12,450	8,96,93,414	10	1,24,500	89,69,34,140

## Corporate information

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RBL Bank Limited  
IDFC First Bank Limited  
IndusInd Bank Limited  
Yes Bank Limited  
Karnataka Bank Limited  
SBM Bank (India) Limited  
Tata Capital Financial Services Ltd  
Aditya Birla Finance Ltd

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