



August 18, 2022

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 Madam/ Sir,

Sub: Notice of the 31st Annual General Meeting and Annual Report for FY 2021-22

This is to inform you that the 31st Annual General Meeting (AGM) of the Company is scheduled to be held on **Friday, September 9, 2022, 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 2021-22 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

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

Dear Shareholders,

Sub: Invitation to attend the Thirty-First Annual General Meeting of the Company to be held on Friday, September 9, 2022

You are cordially invited to attend the Thirty-First Annual General Meeting (AGM) of the Company scheduled to be held on **Friday, September 9, 2022 at 12:30 hrs IST** through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM). Notice convening the AGM is enclosed herewith.

To enable ease of participation, please find below key details regarding the meeting:

#	Particulars	Details
1.	Link for live webcast of the AGM & for participation through VC	https://emeetings.kfintech.com/
2.	Link for remote e-voting	https://evoting.kfintech.com/
3.	User Name & Password for VC	Shareholders may attend the AGM through VC by accessing the link https://emeetings.kfintech.com OR by using the remote e-voting credentials. Please refer the instructions of this Notice for further information.
4.	Cut-off date for e-voting	Friday, September 2, 2022
5.	Time period for remote e-voting	Starts from 09:00 hours IST on Monday, September 5, 2022 and; Ends on Thursday, September 8, 2022 at 17:00 hours IST.
6.	Link for Shareholders to temporarily update e-mail address	https://ris.kfintech.com/clientervices/mobilereg/mobileemailreg.aspx



7.	Contact details of Registrar & Share Transfer Agent (RTA)	KFin Technologies Limited (formerly known as KFin Technologies Private Limited) Mr. Raju S.V, Dy. Vice President/ Mr. Mohan Kumar A, Manager
8.	Helpline number for VC participation and e-voting	Toll Free No.: 1800 309 4001 E-mail: inward.ris@kfintech.com ; and evoting@kfintech.com
9.	Scrutinizer Details	Mr. Binoy Chacko (Membership No. FCS: 4792 and CP: 4221), Partner of M/s. Joseph and Chacko LLP, Company Secretaries, Bengaluru. Email: binoy@jandc.in
10.	Strides' contact details	Email: investors@strides.com Tel No.: +91 80 6784 0732/ 0734

Best Regards,

For **Strides Pharma Science Limited**

Sd/-

Manjula Ramamurthy

Company Secretary

Date: May 24, 2022

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 **Thirty-first Annual General Meeting (AGM)** of the Shareholders of the Company will be held on **Friday, September 9, 2022**, at **12:30 hrs IST** through Video Conference (VC)/ Other Audio-Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS

Item 1: Adoption of Audited Financial Statements for the Financial Year ended March 31, 2022

To receive, consider, approve and adopt:

- a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2022, together with the Reports of Board of Directors and Auditors thereon; &
- b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2022, and the Report of Auditors thereon.

Item 2: Re-appointment of Mr. Badree Komandur, retiring director, as an Executive Director

Mr. Badree Komandur retires by rotation and being eligible, offers himself for re-appointment as an Executive Director of the Company.

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

Item 3: Re-appointment of M/s. B S R & Co. LLP as Statutory Auditors of the Company

It is proposed to re-appoint M/s. B S R & Co. LLP ("BSR"), Chartered Accountants, as Statutory Auditors of the Company for a second term of five years from the conclusion of the 31st AGM until the conclusion of the 36th AGM of the Company, on such remuneration as may be determined by the Board of Directors of the Company, in consultation with the Audit Committee and the Auditors.

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 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the recommendations of the Audit Committee and Board of Directors, consent of the Shareholders of the Company be and is hereby accorded to re-appoint M/s. B S R & Co. LLP (Firm registration number-101248W/W-100022) as Statutory Auditors of the Company for a second term of 5 (five) years commencing from the conclusion of the 31st Annual General Meeting (AGM) until the conclusion of the 36th AGM of the Company, at such remuneration and reimbursement of out-of-pocket expenses as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors



of the Company and the Statutory Auditors, from time to time.

RESOLVED FURTHER that any Director or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and to execute and deliver all such necessary documents for the purpose of giving effect to the aforesaid resolution.”

SPECIAL BUSINESS

Item 4: Remuneration payable to M/s. Rao, Murthy & Associates, Cost Auditors of the Company for the financial year ended March 31, 2022

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 other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), 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 the financial year ended March 31, 2022, be paid a remuneration not exceeding Rs. 3.50 Lakhs plus out-of-pocket expenses and applicable taxes.

RESOLVED FURTHER that any Director or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and to execute and deliver all such necessary documents for the purpose of giving effect to the aforesaid resolution.”

By Order of the Board
For Strides Pharma Science Limited
Sd/-
Manjula Ramamurthy
Company Secretary

Place: Bengaluru
Date: May 24, 2022

DISCLOSURE FOR ITEM 2 OF THE NOTICE UNDER REGULATION 36 OF THE SEBI LISTING REGULATIONS & SECRETARIAL STANDARD ON GENERAL MEETINGS

Item 2: Re-Appointment of Mr. Badree Komandur, retiring director, as an Executive Director

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

Name of the Director	Mr. Badree Komandur
DIN	07803242
Age	51 years
Date of first appointment on the Board	May 18, 2017
Brief resume, Qualification(s), Experience & Nature of expertise in specific function	<p>Mr. Badree Komandur is the Executive Director - Finance & Group Chief Financial Officer of the Company and is associated with Strides since February 2010.</p> <p>He holds a degree in Commerce from the University of Madras and is a Member of the Institute of Chartered Accountants of India (ICAI), the Institute of Company Secretaries of India (ICSI) and the Institute of Cost and Works Accountants of India (ICWAI).</p> <p>Badree has over 27 years of rich and comprehensive experience in Corporate Finance & Taxation, Treasury & Forex Management, Mergers & Acquisitions, Debt Syndication, Fund Raising, Governance and Investor Relations Management.</p> <p>Prior to joining Strides, Badree had over 15 years of experience working in varied sectors including Information Technology and Engineering.</p> <p>At Strides, Badree is also a Member of the Risk Management Committee.</p>
Terms and conditions of Appointment or Reappointment	Badree was re-appointed as Executive Director – Finance & Group CFO of the Company at the Annual General Meeting held on August 20, 2020 for the second term of three years effective May 18, 2020, on the terms and conditions mentioned therein.
Details of remuneration sought to be paid	<p>Badree retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment as an Executive Director of the Company.</p> <p>Terms of re-appointment including remuneration shall be in line with the Shareholders approval of August 20, 2020.</p>

Details of remuneration last drawn	<p>During FY22, as Executive Director of Strides, Badree was paid a remuneration of Rs. 46,047,299/- comprising of:</p> <ul style="list-style-type: none"> • Fixed Pay of Rs. 38,547,299/-; & • Variable pay of Rs. 7,500,000/- (relating to FY21).
Shareholding in Strides as at date of this Notice including shareholding as a beneficial owner	<p>Direct Shareholding: 25,000 equity shares representing 0.0278% of the paid-up equity share capital of the Company.</p> <p>Indirect shareholding: NIL</p>
Relationship with other directors, Managers and Key Managerial Personnel of the Company	None
Number of Board & Committee Meetings attended during the FY22	Board Meetings: 9 out of 9; and Risk Management Committee Meetings: 2 out of 2
Membership/ Chairmanship of the Committees of Strides	Risk Management Committee – Member
Directorship held in other Companies in India as at date of this Notice	NIL
Other Membership/ Chairmanship of Committees of the Boards as at date of this Notice	NIL
Name of the listed entities from which appointee has resigned in the past three years	NIL



EXPLANATORY STATEMENT FOR ITEM 3 AND 4 OF THE NOTICE

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

The following explanatory statement sets out all the material facts relating to the business mentioned under Items 3 and 4 of the accompanying Notice:

Item 3: Re-appointment of M/s. B S R & Co. LLP as Statutory Auditors of the Company

M/s. B S R & Co. LLP, Chartered Accountants (BSR), were appointed as Statutory Auditors of the Company at the Annual General Meeting (AGM) held on September 15, 2017 for a term of five years from the conclusion of the 26th AGM till the conclusion of the 31st AGM of the Company. Accordingly, BSR shall be completing their first term of five years at the forthcoming AGM of the Company.

In terms of Section 139(2) of the Companies Act, 2013, BSR is eligible for re-appointment as Statutory Auditors of the Company for a second term of five consecutive years.

About B S R & Co. LLP

B S R & Co. LLP is a member entity of B S R & Affiliates, a network registered with the Institute of Chartered Accountants of India (ICAI) and holds the 'Peer Review' certificate as issued by ICAI. BSR is a multi-disciplinary Audit Firm catering to various clients in diverse sectors viz., FMCG, Hospitality, Banking, IT, Biopharmaceuticals, Chemicals, Cement, Pharmaceuticals, Automotive, etc.

Proposal for Re-appointment

BSR audits other pharma companies and has team who has in-depth knowledge and understanding of the Pharma sector.

During their first term with Strides, they have seamlessly conducted the quarterly limited reviews and annual audit activities and deployed a pool of well qualified and experienced professionals for handling Strides' audit activities. BSR also coordinates with the component auditors of other group entities in India and Overseas for ensuring timely closure of reviews and audit activities.

Considering the above and after evaluating various factors such as industry experience, competency of audit team, efficiency in conduct of audit, independence etc., the Board of Directors of the Company based on the recommendation of the Audit Committee, at its meeting held on May 24, 2022, proposed the re-appointment of BSR as the Statutory Auditors of the Company, for a second term of five years i.e., from the conclusion of the 31st AGM till the conclusion of the 36th AGM of the Company to be held in the year 2027, subject to the approval of the Shareholders of the Company.

The Company has received relevant consent and confirmations from BSR in this regard.

Remuneration payable to BSR by the Company and its subsidiaries on a consolidated basis for the financial year ended March 31, 2022 is Rs. 33.96 Million (excluding out-of-pocket expenses and applicable taxes).

For FY23, remuneration of BSR is expected to be at similar levels, with necessary increase based on the scope of work related to the Standalone and Consolidated Financial Statements of the Company and its subsidiaries.

Remuneration of BSR shall be as mutually agreed between the Company and the Auditors, subject to the approval of the Audit Committee and Board of Directors of the Company.



Board recommends passing of the proposed resolution as stated in Item 3 as an Ordinary Resolution and requests Shareholders' 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, if any in the Company.

Item 4: Remuneration payable to M/s. Rao, Murthy & Associates, Cost Auditors of the Company for the financial year ended March 31, 2022

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 financial year ended March 31, 2022 at a remuneration not exceeding Rs. 3.50 Lakhs plus out-of-pocket expenses and applicable taxes.

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 Shareholders of the Company.

Accordingly, Board recommends passing of the proposed resolution as stated in Item 4 as an Ordinary Resolution and requests Shareholders' 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, if any in the Company.

By Order of the Board
For Strides Pharma Science Limited
Sd/-
Manjula Ramamurthy
Company Secretary

Place: Bengaluru
Date: May 24, 2022

NOTES

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 with respect Items 3 and 4 forms part of the Notice.

Board of Directors of the Company on May 24, 2022, considered the special business under Item 4 as unavoidable and 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 05, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 20/ 2021 dated December 8, 2021, General Circular No. 2/ 2022 dated May 5, 2022 (collectively “**General Circulars**”) issued by the Ministry of Corporate Affairs (the “**MCA**”) and Securities Exchange Board of India (SEBI) vide its circular no. SEBI/ HO/ CFD/ CMD1/ CIR/ P/ 2020/ 79 dated May 12, 2020, circular no. SEBI/ HO/ CFD/ CMD 2/ CIR/ P/ 2021/ 11 dated January 15, 2021, and circular no. SEBI/ HO/ CFD/ CMD2/ CIR/ P/ 2022/ 62 dated May 13, 2022 (collectively “**SEBI Circulars**”) have permitted companies to conduct General Meetings through Video Conference (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 General Circulars and SEBI Circulars, AGM of the Company is being held through VC/ OAVM. Shareholders can attend and participate in the AGM through VC/ OAVM only.

In compliance with the MCA Circulars, Notice of the 31st AGM along with the Annual Report for FY22, are being sent only through electronic mode to those Shareholders whose email ids are registered with the Company/ Depositories/ Depository Participants/ RTA. The communication of assent/ dissent of the Shareholders shall only take place through remote e-voting system.

Shareholders may note that the Notice of the AGM shall also be available on the Company’s website www.strides.com and websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) (“**KFintech/ RTA**”) at <https://evoting.kfintech.com>.

Shareholders who require print copy of the Annual Report may write to the RTA/ Company at einward.ris@kfintech.com or investors@strides.com.

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

Company has appointed M/s. KFin Technologies Limited (Formerly known as KFin Technologies Private Limited), Registrars and Transfer Agents of the Company, to provide VC/ OAVM facility for 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 1**.

4. **AGM Live Webcast and two-way conference 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 AGM.



Details of the webcast link shall be made available on the website of the Company at www.strides.com.

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

5. In view of AGM being held by VC/ OAVM

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

6. 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 General Circulars, the facility for remote e-voting and e-voting in respect of the businesses to be transacted at the AGM is being provided by the Company through KFintech.

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 1**.

7. KYC Updation

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

Shareholders 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(s) and holdings should be verified from time to time.

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

- a) Change in their residential status on return to India for permanent settlement; and
- 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.

Furnishing of PAN, KYC details and Nomination by holders of physical securities

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

Shareholders holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s).



Further, SEBI vide their Circular dated November 3, 2021 and December 14, 2021 has mandated furnishing of PAN, email address, mobile number, bank account details and nomination by holders of physical securities.

Effective January 1, 2022, RTA/ Company shall consider any service request such as transfer, transmission, issue of duplicate share certificates, renewal/ exchange of share certificates, consolidation of folios etc., only upon registration of the PAN, Bank details and Nomination.

Freezing of Folios without PAN, KYC details and Nomination

- a. **From April 1, 2023** - Folios wherein any one of the said document/ details are not available shall be frozen and such folios shall not be eligible to lodge grievance or avail service request from the RTA and for receipt of dividend in physical mode. However, upon updation of documents/ details as detailed above, services from RTA shall resume.
- b. **After December 31, 2025**, the frozen folios shall be referred by RTA/ Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/ or Prevention of Money Laundering Act, 2002.

Shareholders who have not updated their details as above are requested to furnish the documents/ details, as per the table below, to the Registrars & Transfer Agents M/s KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) at their earliest convenience:

#	Particulars	Please furnish details in
1	PAN	Form No. ISR-1
2	Address	
3	Email address	
4	Mobile Number	
5	Demat account details	
6	Bank account details	
7	Nomination details	Form: SH-13
8	Declaration to opt out nomination	Form: ISR-3

The aforesaid forms can be downloaded from the website of the Company and RTA at:
https://www.strides.com/Shareholders_service_request.html and
https://ris.kfintech.com/clientservices/isc/default.aspx#isc_download_hrd

You are requested to forward the duly filled in and executed documents along with the related proofs as mentioned in the respective forms to the following address:

KFin Technologies Limited

(Formerly known as KFin Technologies Private Limited),

Unit: Strides Pharma Science Limited

Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda,
Hyderabad – 500 032

E-mail: inward.ris@kfintech.com

8. Transfer of Shares

In terms of the SEBI Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from April 1, 2019.

Further, as an ongoing measure to enhance ease of dealing in securities by investors, SEBI vide its Circular of January 25, 2022, has mandated listed companies to issue securities in demat form only while processing service requests such as transfer, transmission, issue of duplicate share certificates, renewal/ exchange of share certificates, consolidation of folios etc.

In terms of the Circular,

1. Claimant/ Securities Holder shall submit their request in Form ISR-4 (hosted on website of Company and RTA) along with requisite documents and details;
2. RTA shall verify the request and documents submitted and thereafter issue a **Letter of Confirmation (LoC)** in lieu of physical securities certificates to the Claimant/ Securities Holder within 30 days of receipt of such request;
3. LoC shall be valid for a period of 120 days from the date of its issuance;
4. Claimant/ Securities Holder to make a request to the Depository Participant for dematerializing the said securities;
5. In case the Claimant/ Securities Holder fails to submit the demat request within the prescribed period, such shares shall be credited to the Suspense Escrow Demat Account of the Company.

9. Email Registration

Shareholders 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 address to RTA in Form ISR-1 (form available on the website of the Company and RTA) to einward.ris@kfintech.com or investors@strides.com for receiving all the communications including notices, letters etc., in electronic mode from the Company.

10. 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 Shareholders whose dividends remain unpaid/ unclaimed for a continuous period of seven years to the demat account of IEPF Authority. Shareholders 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, Rs. 1,07,64,053/- of unpaid/ unclaimed dividends and 6,440 shares were transferred during the FY22 to 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.



11. Inspection of Documents

All documents referred to in the accompanying Notice of the AGM and the Explanatory Statement shall be available for inspection electronically. Shareholders seeking to inspect the above documents can send an email to investors@strides.com.

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

- Certificate from the Secretarial Auditor relating to the Company's Stock Options under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- 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

12. Scrutinizer 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 Scrutinizer to scrutinize the remote e-voting process and e-voting at the AGM in a fair and transparent manner.

Scrutinizer 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 Scrutinizer Report shall be declared by the Chairman or the Company Secretary of the Company **on or before Tuesday, September 13, 2022** and shall also be placed on the Company's website and on the website of KFintech at <https://evoting.kfintech.com>.

**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, Shareholders are provided with the facility to cast their vote electronically, through the e-voting services provided by KFin Technologies Limited (Formerly, KFin Technologies Private Limited) (KFintech), on all the resolutions set forth in this Notice.

Instructions for e-voting is provided in Note 5 below.

- 2) **Remote e-voting period** commences on Monday, September 5, 2022 at 09:00 hrs IST and ends on Thursday, September 8, 2022 at 17:00 hrs IST.

Voting rights of the Shareholders shall be in proportion to their shares in the paid-up equity share capital of the Company as on the **cut-off date, Friday, September 2, 2022.**

- 3) 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 for 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. Shareholders are advised to update their mobile number and e-mail ID with their Depository Participants to access e-voting facility.

Individual Shareholders holding shares of the Company in physical form may obtain the login ID and password by sending a request at evoting@kfintech.com or inward.ris@kfintech.com.

However, if they are already registered with KFintech for remote e-voting, then they can use their existing User ID and password for casting the vote.

Non-individual Shareholders who are already registered with KFintech for remote e-voting, can use their existing User ID and password for casting their vote.

- 4) **Cut-off date for dispatch of AGM Notice** to the Shareholders is Friday, August 12, 2022.

In case of **Individual Shareholders** holding securities in demat mode and who acquires shares of the Company and becomes a shareholder of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned in Item 5.1 below under “Login method for remote e-voting and joining virtual meetings for Individual Shareholders holding securities in demat mode.”

Non-individual Shareholders, who acquires shares of the Company and becomes a shareholder after sending of the Notice, may obtain the login ID and password by sending a request at inward.ris@kfintech.com or evoting@kfintech.com.



However, if they are already registered with KFintech for remote e-voting, then they can use their existing User ID and password for casting the vote.

- 5) 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 KFintech system to participate e-AGM and vote at the AGM.

5.1) **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

1.	<p>Users already registered for IDeAS facility</p> <p>(i) Visit URL: https://eservices.nsdl.com</p> <p>(ii) Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section.</p> <p>(iii) On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-voting”</p> <p>(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.</p>
2.	<p>Users not registered for IDeAS e-Services</p> <p>(i) To register click on link : https://eservices.nsdl.com</p> <p>(ii) Select “Register Online for IDeAS” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>(iii) Proceed with completing the required fields.</p> <p>(iv) Follow steps given in point no. 1 above.</p>
3.	<p>Users may alternatively vote by directly accessing the e-voting website of NSDL</p> <p>(i) Open URL: https://www.evoting.nsdl.com/</p> <p>(ii) Click on the icon “Login” which is available under ‘Shareholder/ Member’ section.</p>

	<p>(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.</p> <p>(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.</p> <p>(v) On successful selection, you will be redirected to KFintech e-voting page for casting your vote during the remote e-voting period.</p>
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Individual Shareholders holding securities in demat mode with CDSL

1.	<p>Users who have opted for Easi / Easiest</p> <p>(i) Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com</p> <p>(ii) Click on New System Myeasi</p> <p>(iii) Login with your registered user id and password.</p> <p>(iv) The user will see the e-voting Menu. The Menu will have links of ESP i.e. KFintech e-voting portal.</p> <p>(v) Click on e-voting service provider name to cast your vote.</p>
2.	<p>Users not registered for Easi/Easiest</p> <p>(i) Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>(ii) Proceed with completing the required fields.</p> <p>(iii) Follow the steps given in point no. 1 above.</p>
3.	<p>Users may alternatively vote, by directly accessing the e-voting website of CDSL</p> <p>(i) Visit URL: www.cdslindia.com</p> <p>(ii) Provide your demat Account Number and PAN No.</p> <p>(iii) System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.</p> <p>(iv) After successful authentication, user will be provided links for the respective ESP, i.e., KFintech where the e- Voting is in progress.</p>

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

- (i) Shareholders 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, Shareholders will be able to see e-voting option.

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

- (iii) Click on options available against company name or e-voting service provider – KFintech and Shareholders 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

Shareholders 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 evoting@nsdl.co.in ; OR Call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com ; OR Call at 022-23058738 or 022-23058542-43

5.2) Details on Step 2 are mentioned below:

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

- (A) Shareholders 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 Shareholders 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) Shareholders 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, Shareholders can login any number of times till they have voted on the Resolution(s).
- xii) Corporate/ Institutional Shareholders (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., authorizing its representative to attend the AGM through VC/ OAVM on its behalf and to cast its vote through remote e-voting. Together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id: binoy@jandc.in with a copy marked to evoting@kfintech.com.

The scanned image of the above-mentioned documents should be in the naming format “Corporate Name_EVEN No.”

- (B) Shareholders whose email IDs are not registered with the Company/ Depository Participants(s), and consequently the Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

- i) Shareholders who have not registered their email address and in consequence, the 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>

Shareholders 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, Shareholders may write to inward.ris@kfintech.com.

- ii) Alternatively, Shareholders may send an e-mail request at the email id inward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the 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.

5.3) 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) Shareholders shall be provided with a facility to attend the AGM through VC/ OAVM platform provided by KFintech. Shareholders 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 Shareholders who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned above.

- ii) Facility for joining 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.
- iii) Shareholders are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv) Shareholders will be required to grant access to the webcam to enable VC/ OAVM. Further, Shareholders 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) Shareholders 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 Shareholders may click on the voting icon displayed on the screen to cast their votes.



- vi) A shareholder can opt for only single mode of voting i.e., through remote e-voting or e-voting at the AGM.

If a shareholder cast votes by both modes, then voting done through remote e-voting shall prevail and voting at the AGM shall be treated as invalid.

- vii) Facility of joining the AGM through VC/ OAVM shall be available for at-least 1,000 Shareholders on first come first served basis.
- viii) However, the above restriction shall not be applicable to Shareholders 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, Scrutinizers etc.
- ix) Institutional Shareholders are encouraged to attend and vote at the AGM through VC/ OAVM.

II OTHER INSTRUCTIONS

1) Speaker Registration

Shareholders 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 Monday, September 5, 2022 upto Wednesday, September 7, 2022.

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

2) Post your Question

Shareholders 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, Shareholders 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, Deputy Vice President/ Mr. Mohan Kumar A, Manager of KFin Technologies Limited, Selenium Building, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032 or Email at inward.ris@kfintech.com or evoting@kfintech.com or call KFinTech's toll free No. 1-800-309-4001 for any further clarifications.

- 4) Only bonafide Shareholders of the Company whose names appear on the Register of Shareholders, 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-Shareholders from attending the meeting.

- 5) Shareholders whose names appear in the Register of Shareholders/ list of Beneficial Owners as on Friday, September 2, 2022, 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 shareholder 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 shareholder, the shareholder 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:

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

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.

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.

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



Strides Pharma Science Limited
Annual Report **2021-22**

**Moving ahead
with conviction**

Financial highlights

₹30,946 Million
Revenue

₹43 Million
EBITDA

Non-financial highlights

12,000 tonnes
CO₂ emission reduced by
purchasing solar power

₹24.03 Million
CSR expenditure

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Moving ahead with conviction

At Strides, there have been many learnings derived from a muted performance in FY 2021-22. Building on these perspectives, we implemented several course correction measures and are on track for a full recovery in FY 2022-23. We identified areas of concern and increased our focus on strengthening our fundamentals to face future challenges and a dynamic external environment.

For faster recovery in the US, we have been de-risking the business from its acute-only strategy to a well-diversified player. In other regulated markets (ORM), including Europe, Australia, and other parts of the world, we aim to continue the growth momentum by focusing on new customer acquisitions and expanding into new geographies through strategic partnerships and portfolio expansion. Over the years, we have steadily increased our wallet share in emerging markets. We will continue to strengthen our presence in these regions through our cost leadership and selective portfolio expansion.

While focusing on business growth, we are committed to creating sustainable value for all our stakeholders. Together, we are striding ahead with greater confidence in our ability to bounce back, make sustainable progress and usher a brighter future for the Company.



About us

Catering to diverse pharmaceutical needs

Over the last three decades, we have evolved into a leading global pharmaceutical company, manufacturing niche generic formulations in various dosage forms catering to a wide customer base across regulated and emerging markets.

Our products are available in a wide range of dosage forms, including Tablets, Soft Gelatin Capsules, Hard Capsules, Sachets, Liquids, Nasal Spray, Topicals, and Controlled Substances. Our people strengthen our mission to deliver high compliance and quality. Over the years, we have invested in continuous research and development and infrastructure to lay a solid foundation for the future.

Vision

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

Mission

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

Business verticals

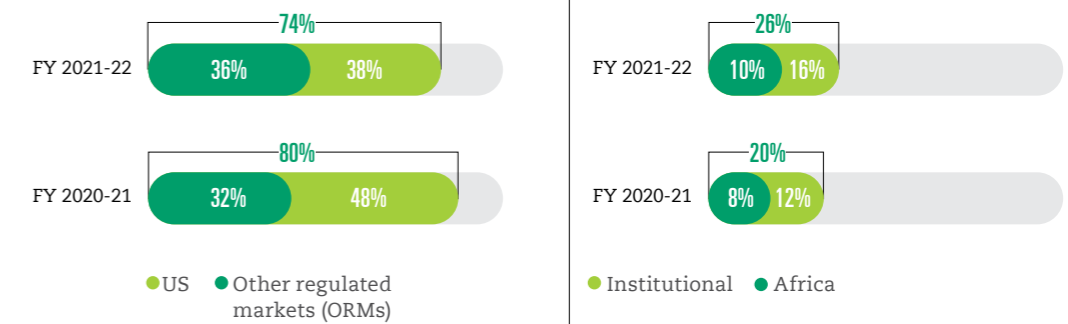
Regulated markets

- Presence across the US, European Union, UK, and South Africa
- Strategic supplier in Australia to the largest generic company, Arrotex under a preferred supply agreement
- Seven dedicated facilities

Emerging markets

- Focused markets of Africa with a portfolio of branded generics
- Catering to donor-funded programmes
- One dedicated facility in Kenya
- WHO Pre-qualified Manufacturing facility in Nairobi, Kenya

Revenue share by regions



Business model

Generating sustainable value

At Strides, we focus on enhancing business growth while maximising the value we create for our stakeholders, making the best use of available resources and adapting our strategy in response to the macroeconomic prevailing.

Resources



Financial capital

We intend to continue creating sustainable value through efficient capital allocation

₹69,759 Million
Balance sheet size

₹23,833 Million
Equity capital

₹13,335 Million
Net debt



Manufacturing assets

We have world-class manufacturing assets located in India [Bengaluru (two), Puducherry and Chennai], the US, Singapore, Italy, and Kenya.

8
Manufacturing plants
across 4 continents

5
US FDA-approved
plants



Development of intellectual property

Our strong expertise in Research and Development (R&D) is one of our key driving forces. We have built a large portfolio for our global market through best-in-class R&D capabilities in formulations, combined with knowledge of the regulatory environment.

274
Cumulative ANDAs filed

**GLOBAL R&D CENTRE
IN INDIA**



Human resources

Our talent pool is one of our most important assets. Our strong technical acumen and scientific capability are results of their collective efforts. This helps us deliver high compliance and quality.

4,200+
Global workforce

Value created for stakeholders

Shareholders and investors

We are committed to delivering competitive, profitable and sustainable returns

Employees

We constantly strive towards providing equal opportunities, ensuring capability building, training, and providing a safe work environment to all our employees.

Patients and end users

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

Communities

Improving the lives of people is integral to our philosophy. We continue to bring change to people's lives in and around our plant locations through our community interventions. As of the end of FY 2021-22, we have reached 12+ villages through the implementation of our various social development programmes.

Planet

We are focused on reducing our environmental footprint by implementing robust processes and following best practices in waste management, energy efficiency and climate change.

Value creation process

Filing and approvals

Proactive filings for regulated and emerging markets with a consistent track record of approvals

Strong compliance

Best-in-class, technology-led compliance

Paperless operations

Robust platforms for Product Lifecycle Management from initiation to filing track record of approvals

Global coverage

Fungibility of development dossiers across targeted markets

Integrated go-to-market approach

Speed to market

Right first-time filings for faster approvals and go-to-market

Diversified formats

Oral solids, Oral liquids, Topicals – liquids, creams and ointments, nasals, soft gels, sachets, and modified release dosage formats

Portfolio selection

Focus on difficult-to-develop and differentiated products

Business enablers

Scale and portfolio

Consistent innovation

Information technologies

Quality and compliance

Geographic footprint

Fortifying presence across markets

Our extensive global footprint enables us to deliver products to 100+ countries. We are now focusing on strengthening our presence in existing markets with new product launches from the approved portfolio while also expanding into new regions in regulated and emerging markets.

100+
Countries where we operate

8
State-of-the-art manufacturing facilities

Manufacturing facilities

Our world-class manufacturing facilities are highly automated, resulting in greater compliance and consistent product quality:



Approvals

- | | |
|---|--|
| ◆ US Food and Drug Administration (US FDA) | ◆ Brazilian Health Surveillance Agency (ANVISA) |
| ◆ UK Medicines and Healthcare products Regulatory Agency (MHRA) | ◆ Pharmaceuticals and Medical Devices Agency, Japan (PMDA) |
| ◆ World Health Organization (WHO) | ◆ Health Sciences Authority, Singapore (HSA) |
| ◆ Therapeutic Goods Administration, Australia (TGA) | |

Chairman and MD's Message

Focused on restoring growth



While the operating environment continues to evolve and is ambiguous, we remain optimistic and confident about delivering significant value to our stakeholders in the coming years.



Despite a difficult year, we have been seeing green shoots from Q4 FY 2022. As the Company's founder and promoter, I acknowledge that we couldn't deliver to our potential. It is simple to rationalise the challenges of the business environment, however accepting responsibility, fixing inadequacies, charting a new course, and moving forward are most important.

I am excited to return to Strides in an executive role, and we are committed to restoring the Company to its former health. We are working towards strengthening our fundamentals and developing strategies in response to the changing pharmaceutical landscape.

As we gear up for a faster recovery in FY 2022-23, we have devised a clear strategy that focuses on our global product supply. We implemented a number of capability-building programmes to help us improve our performance. Furthermore, we have established distinct strategic priorities for each key market.

The US remains a key focus market

We have seen improvement across our businesses since Q4 FY 2022, including the recovery of our US business. We are progressing further by integrating Chestnut Ridge operations in the US, which will help us achieve our target of over \$250 Million in revenue from US operations in FY 2022-23. Given that we have over 150 products approved, we should be able to see sequential growth in the US, giving us room to grow the business from

there. We have plans to launch around 20 products per year from this fiscal. Our new domain additions, which include controlled substances, hormones, and nasal sprays, will help accelerate portfolio differentiation, thereby driving growth.

Scaling up ORMs

Other regulated markets or ORM is an important part of our growth strategy, fuelled by our front-end in key markets and IP-led B2B partnerships in Europe, Australia, and other parts of the world. In these markets, our R&D investments will fast-track growth opportunities for the Rx and OTC portfolios, as several new products will be launched in FY 2022-23.

Market and portfolio expansion in emerging markets

Our emerging market business includes African and institutional or access market verticals. The access market vertical has a relatively lower margin, but it is critical to reducing under-recoveries at our manufacturing sites, given the volumes. Our cost leadership and selective product portfolio expansion will drive institutional

business growth. In Africa, we are focusing on scaling up our business by expanding our geographic footprint in the region and ensuring better penetration of existing markets through portfolio expansion.

Road ahead

While the operating environment continues to evolve and is ambiguous, we remain optimistic and confident about delivering significant value to our stakeholders in the coming years. We have made several changes to our businesses, focusing on growth, improving cash flows, and debt reduction. In addition, the focus will be on efficient inventory management, improving capacity utilisation, and optimal capital allocation, thereby reducing under-recoveries.

We will also optimise our manufacturing network for better outcomes and aggressively focus on cost and debt reduction. We plan to reduce our gross debt by more than ₹1,000 crores in FY 2022-23, targeting Net Debt to EBITDA below 3x.

Finally, I would like to thank everyone who has supported

Strides over the years. I reassure you that we will continue to uphold our core values of integrity, collaboration, and efficiency while creating sustainable value for all stakeholders. I am excited about the journey ahead, with the Board's guidance and the advice and collaboration of my management colleagues, employees, partners, customers, and all of our stakeholders.

Warm regards
Arun

Dear Shareholders,

I begin with the hope that this letter finds you and your loved ones at the top of your health and spirits. In every way, the global community, as well as businesses, have waded through a sea of change during the last two years. With a sinister Covid wave re-emerging in the country at the beginning of the year, widespread supply disruptions, commodity price rises, and the Russia-Ukraine conflict deepening, FY 2021-22 was a challenging year for several sectors, and the state of affairs was no different for the pharmaceutical industry and for Strides. That said, we have made exemplary efforts as an

organisation to stay resilient and focused on a sharp bounce back to cushion the business and add more value with our offerings.

Making sound decisions

We witnessed unusual price erosion and volume drops in the US, leading to a significant contraction in our gross margins. The other regulated markets delivered tepid growth due to Covid-related disruptions. Our Emerging Markets business witnessed growth as the region was not significantly impacted by the challenges peculiar to the regulated markets.

CFO's review

Charting a new course



Consistency and sustainability will be our mantra as we address issues of the present, past and future simultaneously. The conviction is very high at this point of time as we continue to work tirelessly to rebuild the company.

Dear Shareholders,

At the beginning of the year, I highlighted that market behaviour continues to be very challenging, with price and supply chain disruptions adding to downswing risks.

FY 2021-22 has not met our expectations in terms of performance across internal and external parameters, with price erosions, bloated cost structures, and long Cash to Cash (C2C) cycles resulting in negative operating leverage/cash flows. Significant negative operating cash flows resulted in the ballooning of debt and a downgrade in credit rating by ICRA. We adopted several liquidity measures, but the nosedive in performance resulted

in poor ratios on the balance sheet. For the first time, we reported an operating PAT loss. While the reasons can be attributed to many factors, we will be better prepared in the future for challenges to come.

We have taken several corrective actions, expected to reflect in our results H2 of FY 2022-23 onwards. This includes measures on PEG (Profitability - Efficiency - Growth). Seamless execution/superior governance will enable it. Consistency and sustainability will be the focus and will pave the way for debt reduction and cash flow generation. I would like to dwell on a few of the targets.

From a revenue standpoint, we have set ourselves the US revenue target of US\$250 Million driven by several new launches. We have initiated many cost management programmes to gain cost leadership in key molecules and improve the gross margins. On the workforce cost front, we are focusing on right-sizing the company and variable pay programme to drive accountability. From an operational cost point of view, we are resetting the entire cost base by reducing logistics costs, enhancing governance and tightening control on costs. All this will lead to the focus on absolute EBITDA growth and steady build-up. The green shoots of all our actions are visible as we get into the new year with promise.

To sum up, the key priorities are as follows for the next year:

- Daily governance and review cadence is being strengthened to avoid surprises
- We are institutionalising all the important processes implementing strong controls
- Cost management – Revisit all costs and get back to profitability
- Reset or exit some of the low margin P&Ls, which do not positively impact our margins
- Liquidity challenges need to be addressed during the year. Once growth returns, superior operating leverage and working capital efficiencies are the focus areas

- Improve all metrics of profitability/efficiency/growth, including superior ROCE by Q4 FY 2023
- Engage actively with all investors and restore confidence through better demonstration of performance
- Focus on launch of new products from approved ANDAs and get back to historical gross margins
- Balance sheet strengthening - Light balance sheet from FY 2022-23

Consistency and sustainability will be our mantra as we address the issues of past and present, and prepare ourselves for the future, simultaneously. The conviction is very high at this point of time as

we continue to work tirelessly to rebuild the company. Long-term growth and profitability will be our focus going forward.

I thank all the internal and external stakeholders for reposing faith in our Company and look forward to continued support.

Warm regards
Badree

Strategic priorities

Roadmap for accelerated recovery

Our newly formulated three-year strategic road map called REACH, has been in play since last year, which enables Global Product Supply (GPS) to act as a key driver for our growth and add value to the stakeholder experience.

REACH stands for Respect for all human beings and our environment, Empowerment of our teams, Accountability that we all take, Customer focus, and Health of our patients, which embodies our long-term goals and vision based on our ICE values. Improving performance sustainably requires a clear purpose and articulated strategy linked to performance targets and capability-building objectives. Through REACH, we have already launched various capability-building programmes to move up the 45-degree zone with a dual focus on performance and capability.



Developing leaders

An 18-month journey spread across five modules designed specifically for plant managers to enable their development as strong site leaders through action learning. We have completed two modules, and all plant heads have drafted their own action plan to outline the next course of action across plants. The programme aims to equip plant managers with various tools, with the first two modules focusing on business and financial acumen as well as strategy development.

Focus on operational efficiency

We have a focused operational excellence programme to improve plant efficiency and reliability while also developing our own Strides Production System. The pilot programme in our KRSG facility reduced throughput time to 50% of what it was at the start of the programme and change-over time to less than half of what it was. More importantly, it brought a shift in mindset, with shop floor operators thinking and acting in terms of minutes rather than shifts.

Strategy cascading

Using our 4-D (Direction, Dialogue, Deliver, and Develop) toolbox, we have created an interactive engagement series to cascade our overall strategy and goals down to the shop floor. We held more than 20 workshops last year, engaging in discussions on overall GPS goals, outcomes, and measurements. The response has been incredible, and it will be used to shape this year's cascading of our recovery strategy.

Scale and portfolio

Broadening our customer base

As a global generic pharmaceutical company, we focus on expanding our portfolio and entering new geographies to reach more customers. We have achieved global scale while improving operational efficiencies and maintaining momentum in product launches across our core markets.

Key product approvals during FY 2021-22

Product	Application
Molnupriavir	An oral medication used for the treatment of high-risk adults with mild to moderate COVID-19
Oseltamivir Phosphate	An oral medication used for the treatment of high-risk adults with mild to moderate COVID-19
Oseltamivir Phosphate	For the treatment of acute, uncomplicated influenza A and B in patients two weeks of age and older who have been symptomatic for no more than 48 hours. This will be also used for the treatment of prophylaxis of influenza A and B in patients of one year and older
Amantadine Hydrochloride Softgel Capsules	For the treatment of infection caused by various strains of influenza A virus. This is also indicated in the treatment of parkinsonism and drug-induced extrapyramidal reactions
Oseltamivir Phosphate	Used for the treatment and prevention of gout. It reduces inflammation which causes pain, swelling and other symptoms of gout. Colchicine tablets are indicated in adults and children four years or older for treatment of familial Mediterranean fever (FMF).

Stelis – An integrated global biopharmaceutical CDMO

Stelis began its journey as a Strides subsidiary and have since evolved into a Global biopharmaceutical contract development and manufacturing organisation (CDMO).

Stelis provides the full range of services from cell line technology transfer to clinical and commercial manufacturing, including the ability to convert drug substance into stable formulations with fill and finish

formats. Stelis is poised to be among the leading biologics CDMO players in the world due to its scale and capacity. Its world-class cGMP manufacturing facilities in Bengaluru, India, have proven expertise in microbial, mammalian, and other technology platforms, enabling it to provide high-quality customer services.

CDMO division

Through this division, Stelis provides a complete spectrum of services from cell line technology transfer to clinical and commercial manufacturing. Stelis operates three cutting-edge facilities with 900,000 square feet of Process Development (PD) and manufacturing space for mammalian, microbial, and other modalities.

Product division

Biolexis, the product division of Stelis, is developing a portfolio of leading products with low-cost, efficient processes. With its deep technical expertise, Biolexis is forming strong partnerships to commercialise high-quality and affordable products. This positions us to capitalise on emerging opportunities.

Stelis business model

Manufacturing Services Agreements (MSA)

- The first part of the CDMO contract typically includes the technology transfer, process development, process scale, and execution of Performance Qualification (PPQ) batches.
- Includes the base work required to secure the regulatory approval and, consequently, contract for manufacturing
- Typical revenue is \$1-2m for drug products and \$4-5m for drug substance.

Commercial Sales Agreement(CSA)

- The second part of the CDMO contract includes the value of the business, secured through the commercial supplies of products developed for the partner under the MSA.
- Typically, the duration of CSA would be 3-5 years and is secured by capacity commitment ensuring annuity of revenues.
- As more MSAs translate into CSAs, Stelis could scale up its business significantly, resulting in high profitability with no significant cost increase.



Scale and portfolio

FY 2021-22 updates for CDMO division

- The CDMO business of Stelis Biopharma delivered ₹1,321.27 Million in revenues through MSA. Our MSAs in FY 2021-22 will drive a secured commercial services agreement (CSA) of ₹6,762 Million starting FY 2023-24
- We received significant new orders for the drug product facility with continued traction for cartridges, high-speed vial fill-finish, and lyophilised vials.
- In 2022, the Company was audited by EMA, and in H1CY2022, it had inspections scheduled for USFDA and TGA, among others.

- Revenue performance was impacted by high unused facility costs as the operating cost included the cost of the new unit 3 facility, which currently does not generate commercial revenues.
- The Company reported a negative EBITDA, adjusting for the unabsorbed costs (Drug Substance block and unit 3 facility); else, it would have delivered a strong EBITDA performance.

FY 2021-22 updates for products division

Biosimilar pipeline

- STLP001 (PTH) is nearing European Medicine Agency (EMA) approval as Stelis completes the facility inspection (EUGMP), which was one of the prerequisites for acceptance. The approval is expected within 2022, and Stelis has already partnered/licensed this product to different national champions across 20 countries.

- Insulin programmes continue to progress according to plan as Stelis readies itself for a phase 3 study for Insulin Glargine in 2022
- Development on track for the other pre-clinical programmes

In-licensed AmbiVax-CTM opportunity

- AmbiVax-CTM is a SARS-CoV-2-Fc fusion protein vaccine developed by Akston Biosciences, United States.
- The vaccine has been exclusively licensed to Stelis/Biolexis for 140+ global countries, including India, South-East Asia, LATAM, GCC, and Africa. Stability studies conducted have demonstrated thermostability at room temperature (High Temperature stable, no cold chain requirements)
- The vaccine was undergoing Emergency Use Authorisation (EUA) determining clinical trials in India. An interim analysis of this data shows no significant safety issues and a 91% seroconversion rate at Day 56.
- Volunteers in the bridging study had antibody titers that persisted at statistically significant high levels through six months, with serum taken from them showing protection against variants of concern.
- The results are under submission for a prime vaccine in India

Update on Sputnik Light Vaccine

- Last year, Stelis completed the technology transfer of the Sputnik Light vaccine from the Russian Gamaleya National Center of Epidemiology and Microbiology (Gamaleya), the IP holder of the vaccine.
- In November 2021, Stelis received its first order of 50 million doses of the Sputnik light vaccine to be exported to Russia.
- Against the 50 million doses to be shipped, Stelis has produced ~23 million doses retained as inventory with a long shelf life.
- Considering the geopolitical challenges regarding exports to Russia, the management continues to discuss with the Russian Direct Investment Fund (RDIF) to initiate exports to Russia and other markets where the vaccine could be exported.



Consistent innovation

Innovation-led growth

At Strides, we are driven by research and development expertise and an innovation mindset that propel our ability to address emerging needs. This strength is reflected in our ability to successfully create our niche and differentiated product portfolio across dosage and technology platforms, supported by strong regulatory expertise.

On the R&D front, our efforts are focused on accelerating access to safe, affordable and innovative medicines that serve patients worldwide.

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

In FY 2021-22, we focused our product development efforts in niche dosage areas and targeted filings to limited competition opportunities. During the year, we received approval for 6 ANDAs and filed for 5 more. We have invested ₹1,000 Million in various innovation and development activities in FY 2021-22.

R&D dashboard

274

Cumulative ANDA filings*

249

Approved ANDAs

*Filings, including recently acquired portfolio from Chestnut Ridge



Improving R&D infrastructure and project management processes.

We strengthened our digital and IT infrastructure during the year 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 by incorporating stage gate reviews and governance to ensure timely portfolio delivery. In new product development during FY 2021-22, we focused on difficult-to-make generics, enriching our basket of differentiated products and ensuring portfolio maximisation, wherein existing products were leveraged for other geographies with minimum efforts.

Road ahead

Going forward, we are targeting 20+ new launches per year across different geographies. Our lean structure will facilitate this and enable minimal R&D spend with significant productivity improvement. We will focus on consolidating our presence by developing limited competition products, leveraging our existing product portfolio to other geographies. Additionally, we will aim to enhance our existing source security and manufacturing robustness.

Advanced technologies

Accelerating digital transformation

Technology is a mainstay of the Strides business. During the year, we increased our focus on technology adoption considering the challenges posed by the pandemic to optimise our processes, increase efficiency, and become more agile and resilient.



Digital manufacturing

The e-logbook kickstarted at the beginning of 'Path2Digital,' is now being rolled out across plants and functions. The benefits of achieving 100% Right First Time (RTF) are undeniably significant. Even though adoption was difficult at first, this is now a pull factor for manufacturing staff.

The Manufacturing Execution Process (MES), which has gained traction over the last two years, was put in place to improve efficiency. The objective is to make it efficient before scaling it up to the point where MES is used to manufacture most product types in our flagship plant.



Continued focus on cybersecurity

During the pandemic, the pharmaceutical and healthcare industries were among the main targets for cyber attackers, and they remain so today. As we move towards the digital, we focus more on strengthening our cybersecurity capabilities. Our ecosystem is fully integrated with industry-leading cyber security solutions. Aside from having tools and systems, we also focused on employee awareness and judgment regarding cyber security across the organisation. Cyber security training has been made mandatory for the entire workforce. Phishing simulations have improved employees' ability to differentiate between genuine and malicious emails or links.



Moving towards the paperless lab

Across our manufacturing plants, analytical raw data sheets for semi-finished and finished goods are completely digital. Electronic lab notes (ELN) are commonly used in laboratories. The majority of logbooks in the quality control labs have been digitalised. A few more artifacts will be converted to digital this year, moving us closer to paperless labs.



Optimising supply chain

During the pandemic, there were shortages of medicines, vaccines, and other healthcare consumables because many pharmaceutical companies faced major supply chain challenges. We plan to develop a digital control tower to provide the supply chain with true digital fluency. Consequently, we will be able to perform accurate demand forecasting, supply planning, and optimal inventory management.



Mastering the virtual audit

We were among India's first companies to use smart glasses for virtual auditing. As virtual auditing necessitates additional skills, we trained key employees, including plant quality personnel, to improve our virtual audit setup. Regulatory and client auditors have praised the efforts made in this regard at various manufacturing plants.



Tech integrations at the newly acquired facility

In this era, one of the big challenges in the case of any M&A is technology synergies and amalgamation of different technology platforms. Last year with the acquisition of the Chestnut Ridge plant in the USA, we faced a similar challenge. Technology integration was done in three phases – Lift and Shift, Stabilise, and Enhance. While enhancement will continue to happen over a period of time, the technology operation has considerably smoothed.



Quality and compliance

Elevating quality benchmarks

Quality benchmarks and regulatory compliance remain our critical focus as the landscape continues to evolve in our core markets. To this end, we have automated our manufacturing facilities to a large extent to achieve greater accuracy, precision and global quality standards.



Ensuring high quality

We have established an agenda for people, processes, products, and technology to reinforce quality excellence across the organisation. We closely monitor the SOPs in place to ensure consistent meeting of our quality culture objectives. During FY 2021-22, we undertook the following initiatives:

- Continued to maintain our track record of regulatory approvals
- Engaged with external consultants for QMS assessment and improvements to strengthen systems and processes for greater maturity and compliance
- Rolled out 'quality fabric' programmes in our facilities, consisting of attributes such as proactiveness, responsiveness, and all-time compliance meticulously designed into the programme through people, products, processes, and facilities
- Increased corporate quality oversight on our global manufacturing sites and international business centres
- Undertook many efficiencies improvement programmes in manufacturing and laboratory, which significantly improved our overall cycle time
- Took initiatives to improve customer satisfaction through improvements in manufacturing and packaging lines
- Expanded our serialisation project beyond the US and European regions to facilities that supply drug products to various other regions
- Introduced a comprehensive corporate process for the assessment on elemental impurity and nitrosamine impurities
- Completed the risk assessment for all applicable products, which helped us identify risks and take proper mitigation measures to safeguard product quality

Environment

Ensuring responsible business practices

Our sustainability approach goes beyond compliance requirements, and we work towards bringing down the negative impact of our operations on the ecosystem. We are driven by a passion for solving unmet patient needs across core markets by developing affordable and complex or specialty generics in a sustainable manner.

We aim to achieve net-zero by implementing measures to lower energy consumption, increase the use of renewable energy, reduce our carbon footprint, recycle wastewater, minimise potable water consumption, and focus on waste management, among others. We conduct regular internal and external audits to ensure compliance.



Our flagship (KRSR) facility in Bengaluru, India

Environment management systems

ISO 14001:2015 is an internationally agreed standard that sets out the requirements for an environmental management system. It helps organisations improve their environmental performance through more efficient use of resources and waste reduction, gaining a competitive advantage and the trust of stakeholders. Strides believes that ISO14001 is a management tool to improve environmental performance. Of our plants in India, 2 are already ISO 14001:2015 certified by NQA, and in the coming years, there are plans to certify all the manufacturing sites to ISO 14001:2015 standards.

Energy consumption and renewable energy

We understand how important efficient electricity usage is, and we are moving towards more sustainable forms of energy. We have invested in rooftop solar panels. Currently, we have an installed capacity of 340 KWp as cleaner sources of electricity generation are pivotal in our fight against climate change. We generated 3,01,654 units from the solar panels saving around 214 tonnes of carbon in FY 2021-22 alone while enabling the reduction of 12,000 tonnes of CO₂ by utilising 17 million units from buying green energy from solar power generators. We have plans to further reduce fossil fuel consumption and our carbon footprint by investing 1,900 KWHp from solar energy across our various sites.

Water and waste management

Water management

We have implemented a system to recycle wastewater and increase the water table around our plant sites through various methods, including rainwater harvesting ponds. We strive towards conserving as much water as possible through recycling and reusing the water we use.

Key interventions in FY 2021-22

- 1,00,903 KL of wastewater was treated by Wastewater Treatment Plants (WWTP) to reuse it for garden/lawn/utilities inside plant premises across all Indian sites
- 21,060 KL of water was recycled from steam condensate and reused for steam generation at KRSR and Puducherry
- 16,138 KL rainwater was collected and recharged by us to improve the groundwater level in and around the plant across sites

Operational waste

We use the finest quality raw materials and implement a precautionary approach to minimise waste/rejected batches to create safe, efficient, and affordable medicines while adhering to the highest compliance standards. We ensure the segregation of 'hazardous' and 'non-hazardous' wastes at the source and store them separately. We verify that third-party entities who treat the waste are authorised by regulatory agencies and audit their facilities regularly to ensure compliance with all waste treatment requirements. The waste storage areas are also audited for compliance with storage requirements.

Paper usage

We aspire to reach 100% digitisation across our sites and product portfolios in a few years. Our new initiative – e-Logbooks, will help strengthen our manufacturing operations, HR systems, and paperless R&D operations. We are minimising our paper usage through this and other initiatives by transitioning to digital platforms, reducing our paper consumption. In FY 2021-22, we converted many analog logbooks into digital logbooks.

Social – People

Nurturing a diversified and talented workforce

At Strides, we recognise that our employees are the driving force behind our growth and success. Our vision is to create a working environment that promotes their well-being while ensuring that every employee is treated with dignity, respect, and equality.

With a global team of 4,000+ employees (including temporary), we operate in a diverse and harmonious workplace with an open and transparent culture. We are dedicated to delivering a secure, productive, and flexible environment for our employees and providing them with unrivalled chances for personal and professional development.

2,647

Permanent employees

372

Permanent women employees

1,559

Temporary/Contractual employees



Health and safety

At Strides, we prioritise employee health and safety to ensure a conducive workplace for our people. Our employee wellness initiatives include flexi-time for exercise, medical insurance, flexible work hours/work from home (for specific roles that can be performed remotely), maternal and paternal leave, and an employee wellness programme called 'We Care.' We also follow a wellness calendar.

We conduct regular safety training and mock drills to ensure that employees are adequately aware of contingency steps. Our health and safety approach includes:

- Safe working systems
- Use of personal protective equipment
- Emergency preparedness



Covid-19 care

As a response to the pandemic, we undertook several initiatives to support our people:

- Provided financial support to secure honourable living for families of deceased employees due to Covid-19
- Facilitated in-house doctors for tele-consultation of affected employees and their families
- Maintained a coordinated approach among all site HRs and admin team to tackle any case related to Covid-19
- Provided vaccination reimbursement
- Operationalised a Covid Task Force, which meets on a weekly basis to monitor the dynamic situation and take necessary steps to ensure employee health and safety

Social – People

Employee engagement

We also ensure the well-being of our employees through active engagement. We have several two-way communication platforms for employees to express themselves, ask questions, and learn more about the organisation. We recognise the employees' union for pursuing the interests of its members while keeping an eye on overall business expectations. We currently have a management-recognised employee association representing ~20% of the workforce.



Seek App

This is for bringing in greater awareness and engagement around quality. Through SEEK the employees are introduced to the concept and issues around quality. It provides an interactive platform to express views and opinions.

Open House Meeting

This is a two-way communication channel where the common concerns and issues among the employees are discussed. The employees can raise their concerns, give suggestions and express their grievances.

Amber App

Amber was onboarded as an AI tool to understand employee sentiment and reach out to employees at various tenure milestones. It also gives data of disengaged employees.

Learning and development

With the pandemic compelling us to transition to remote working and adapt to a new normal that brought all planned learnings to a halt, we adopted newer digital methodologies to keep the learning momentum going. All physical learning events were virtually converted to short-burst learning content and delivery style to match the need as part of our mission to adopt digital transformation. With employees returning to work, the L&D team provided both in-person classroom trainings and virtual trainings for those who are still working remotely.

Skill development

Strides Continuous Learning Programme (CLP)

It is an ongoing initiative that aims to reinforce our values, identify skill gaps, strengthen fundamental skills, and improve personal capabilities. The programme modules are digitally enabled by converting them into e-learning short burst modules of ~1 hour each to adapt to changing needs, improve mass audience scalability, and provide self-paced, anytime, anywhere access. This provided all employees with a new-age and quick learning experience through mobile learning at the click of a button.

Strides values and behaviors

L&D has been instrumental in driving the ICE values and behaviour immersion programme for leaders, managers, and employees across locations to raise awareness, relate to the business, and influence behaviour. The emphasis on embedding the values and behaviours included large-format employee engagement programmes as well as trainings. Under the auspices of the B.I.G Challenge, L&D used the SEEK tool to run campaigns, quizzes, and competitions to raise awareness. The programme witnessed 1,800 enthusiastic employees participating and was concluded with an awards ceremony.



Supervisory development programme

This was a specialised curriculum designed and developed for self-managed teams at the Chandapura unit to raise participants' awareness of the role of supervisors in organisations. The programme's objective is to prepare them to manage and engage team associates/members in a changing environment. To provide them with a platform to develop supervisory skills for people management.

Ignite - Manager Essentials Programme

While the organisation was on the right track with strong execution plans, great talent, inspiring leaders, and well-defined processes, it was critical to examine the missing track. Investing in our managers' capability development has become a top priority in the organisation's capability roadmap. A well-structured and well-thought-out design with a blended learning approach that includes a mix of online learning modalities as well as live facilitated sessions to promote self- and reflective learning among managers. This initiative was piloted among 43 managers at our R&D centre, with the goal of creating engaged and high-performing teams. This course is divided into three tracks: Foundation, Intermediate, and Advanced, with each track consisting of short-burst engaging modules that will be implemented in FY 2022-23.

this skill while also preparing employees to manage organisational growth.

Thus, to ensure the building of a resilient and efficient organisation in dynamic markets following the pandemic, we worked to identify critical roles and ensure robust talent management for those roles. Our talent management strategy is derived based on many factors mainly:

- Current talent pool
- Department-wise and role-wise proof of concepts
- Future business plans and value-based analysis of roles
- Recommendations from leaders on developing their teams

The organisation is committed to develop its talent through multiple programmes, including continuous learning programme, pathway programme and future leader programme. We strive to do the best to keep our employees happy and motivated through our rewards and recognition system, which is crucial for organisational success. Some of our recognition programmes include:

Strides recognition programme

V&B Champion (Individual Award)

For displaying ICE Values, Strides Behaviours and Quality Culture

Shooting Star (Individual Award)

For Creating Business Impact

Dream Team (Team Award)

Team that delivers the business impact by getting the WHAT & HOW right!

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.

Employee grievances

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 2021-22, we did not receive any complaint related to child labour, forced labour, involuntary labour, or discriminatory employment.

PACE (Performance & Capability Enhancement)

PACE is our business skills suite, which includes key skills such as time management, planning and prioritisation, giving and receiving feedback, productivity hacks, interpersonal skills, MS Office tools, professional email writing skills, setting stretch goals, and six thinking hats. PACE is designed as a short, intense 2.5-hour programme that focuses on skill development through role plays, case studies, and discussions. These offerings are part of the monthly training calendar and are open to self-nomination and attendance by all employees. PACE is delivered through in-person and virtual classroom sessions.

Talent management

At Strides, we emphasise growth through continuous learning to help employees progress from individual contributors to team leaders, and then to senior leadership positions within the organisation. We select leaders who lead with ideas, have the necessary knowledge, are passionate about what they do, and excel at execution. All of our talent management programmes are geared to developing

Social – Communities

Impacting lives for a better society

Our community development programme are an integral part of our sustainability strategy. Beyond compliance, we strive to create long-term value for communities by helping improve the standards of health, education, and employability.

Our CSR goals are aligned to UN SDGs

- 1 NO POVERTY**
End poverty in all its form and everywhere
- 3 GOOD HEALTH AND WELL-BEING**
Ensure Healthcare and well-being for all at all ages
- 4 QUALITY EDUCATION**
Quality education for all
- 6 CLEAN WATER AND SANITATION**
Ensure availability and sustainable management of water and sanitation for all



Healthcare

Arogyadhama – State-of-the-art Specialty Health Center

This is a unique multi-specialty clinic in the rural setting of Suragajakkanahalli panchayat, which pioneers preventive, promotional, and curative services. Over the years, Arogyadhama has served over 7,700 patients and also offers specialist services such as ophthalmology, gynaecology, paediatrics, dental treatments, pharmacy, and day care.

Milestones of FY 2021-22

- Conducted leprosy survey in 10 villages covering 1,200 families
- Organised non-communicable disease camps in 5 villages, where 256 people were screened and administered regular medication to diabetic and hyper-tensive patients
- Conducted National Tuberculosis Control programme across 11 villages
- Arranged for well women camps – awareness on personal hygiene and health camp, which was much appreciated and through which 340 women benefitted
- Conducted derma camp for the green house workers, through which 70 people benefitted
- Organised HINI awareness camp across 9 villages covering 2,800 people
- Held immunisation drive for children, touching the lives of 48 children
- Collaborated with government PHC Haragadde for polio vaccine drive in 11 villages, covering 1,800 kids
- Relaunched school health programme across 15 schools, covering 980 students
- Supported the malnutrition in children camp at Chandapura and provided multivitamins to 45 children
- Extended a Covid vaccination centre where 1,546 people have been vaccinated so far
- Ran Covid vaccination camp across 11 villages in coordination with Haragadde PHC, with 9,100 people being vaccinated
- Undertook regular Covid survey across 10 villages in collaboration with Government PHC – no positive cases found in the last 6 months
- Built awareness on social distancing, personal hygiene and Covid appropriate behaviours in 12 villages

Social – Communities



Atmospheric water generator

We discovered an alternative water source in the form of the atmospheric water generator. This technology generates water from air, which is then filtered and mineralised before reaching the user. There is no water waste and no use of groundwater, which protects groundwater levels.

A pilot project was launched in the village of Lingapura, Haragadde Panchayat. This is a self-sustaining model that provides 900 people in the village with 2,000 litres of water per day. It also employs a person with special needs. The Panchayat leaders and residents of Lingapura village have highly praised the project.

Siva Sakthi Sathya Sai Charitable Trust

This is a registered trust that was established to assist people with intellectual disabilities and senior citizens. The Trust operates a home in Sri Raja Rajeswari Nagar, Bengaluru, for 28 differently abled people. Strides Foundation stepped up to sponsor groceries and medicines for the inhabitants.



COVID-19 response

- Provided a 30-bed Covid Care Centre at Pondicherry University campus in collaboration with Solara and Puducherry governments
- Facilitated 'Oxygen on Wheels', in collaboration with KSRTC for Government PHC Haragadde
- Distributed home isolation kits to Suragajakkanahalli Panchayat and Haragadde PHC
- Donated ~11 lakh Paracetamol tablets to government PHC Haragadde, government hospitals Anekal and DKS trust

9,100 people vaccinated through vaccination drive by Arogyadhama at the Suragajakkanahalli village panchayat



Education

LeAPs

The Leadership Adoption Program for Schools (LeAPS) caters to people transformation and is further customisable for young students in government schools. During FY 2021-22, ~500 students from Haragadde Govt Primary and High School benefited from the 'Taking Learning to Villages' initiative. As schools were closed due to the pandemic, there was a disconnect between teachers, students, and learning. Teachers visited villages, met students, and conducted workshops for them near temples, marriage halls, and under banyan trees to revitalise the student-teacher bond.

Infrastructure development

We recognise the value of education and will continue to focus our efforts on improving educational infrastructure to provide high-quality learning environment. We donated a laptop and accessories to the smart class at Dr. Ambedkar Government Law College in Puducherry.



Employability

Vocational skill development

Every year, we organise the Employment Empowerment Program, and have partnered with Swami Vivekananda Rural Community College (SVRCC) to widen our reach. This collaboration enabled the selection of 100 students who will be trained in a variety of job-related courses using a holistic approach to help them become responsible citizens.

Skill development programme

To empower the women of Muthanallur Village Panchayat and train them to earn a living, we established a Training Center in Muthanallur village by donating sewing machines, embroidery machines, interlock machines, cutting machines, and accessories to Siri Sanjeevini - Women Self Help Group (SHG). This initiative will assist in the upskilling of ~900 women in every batch in the village panchayat.

Governance

Prioritising transparency and integrity

Our Board provides invaluable direction and guidance to ensure the fulfillment of key growth objectives. It has collectively developed a comprehensive approach to corporate governance, which informs the strategic aspirations of the business.

Board values



Our Board has set up robust policies and procedures, including the code of conduct, Board diversity policy, dividend distribution policy, policy for determination of material events and information, remuneration policy, related party transaction policy, among others. This has helped us continue benchmarking ourselves against our principles and the global best practices to remain effective and efficient in governance monitoring. In our effort to keep ourselves updated with the ever-changing and dynamic ESG environment, we are periodically reviewing and amending these policies whenever necessary.

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

Board of Directors



Arun Kumar
Executive Chairperson & Managing Director



Badree Komandur
Executive Director - Finance & Group Chief Financial Officer



Dr. Kausalya Santhanam
Independent Director



Deepak Vaidya
Non-Executive Director



S. Sridhar
Independent Director



Bharat. D. Shah
Independent Director



Homi Rustam Khusrokhani
Independent Director

Leadership team

Arun Kumar
Executive Chairperson & Managing Director

Badree Komandur
Executive Director - Finance & Group Chief Financial Officer

Christoph Funke
Chief Operations Officer

Umesh Kale
Chief Quality Officer

Corporate information

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BANKERS AND FINANCIAL INSTITUTIONS

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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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Stelvio, 66, Italy

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Kikuyu Town, Kenya

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Johannesburg, 1686

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Switzerland

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Statutory Reports and Financial Statements

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Management discussion and analysis

Economic environment

World

The global economy, in the previous year, opened up with a note of optimism as the impact of covid-19 started to ease out. However, the pace of recovery was impacted by successive waves caused by newer variants and consequent supply chain disruptions across the world, driving crude and other material prices. The ongoing Russia-Ukrainian war further posed a significant risk impacting global supply chain dampening global economic recovery. Besides, the tightening of monetary policy by the US Fed towards the end of the year impacted the economic outlook.

After a severe contraction in 2020 driven by the Covid-19 pandemic, the US economy rebounded sharply, albeit with the occasional spread of the virus caused by different variants. Monetary policy remained highly accommodative, but the announced tapering of government bond purchases is appropriate as the recovery becomes more firmly entrenched. Sustained pricing pressures will prompt a gradual increase in the federal funds rate, as already seen in 2021 and first half of 2022. Several pandemic-related fiscal measures announced in 2020 and early 2021 have largely been withdrawn. Earlier stimulus checks, supplementary unemployment benefit payments, and expanded benefit coverage have led to a substantial increase in accumulated savings expected to continue supporting economic recovery.

The Eurozone was impacted to a great extent by the outbreak of the Delta and Omicron variants of the pandemic, leading to restrictions and disruptions in activities. Despite the challenges, the Eurozone reported strong growth. This performance largely reflects catch-up growth after the deep slump of 2020, but it is also evidence of a robust recovery of economic activities.

The economic performance of the emerging economies varied greatly during the past two years. Export of goods and services remained comparatively in a better position except tourism and allied activities, which continued to witness poor economic performance. Emerging market economies have witnessed a surge in inflation, driven primarily by higher commodity prices, supply chain disruptions, labor shortages, and demand for goods.

The conflict in Eastern Europe between Ukraine and Russia has led to an increase in the prices of food, oil, and natural gas. The entire global economy has been impacted by the conflict and is expected to experience slower growth and faster inflation.

According to the World Economic Outlook published in April 2022, global growth is predicted to slow, i.e., from 6.1% in 2021 to 3.6% in 2022.

With the pandemic still raging, a strong global health strategy is more important than ever. To lower the possibility of more deadly COVID-19 variations, global availability of immunizations, testing, and therapies are critical. This necessitates higher supply production for medications including vaccines, improved in-country delivery networks, and more equitable international distribution. Many nations' monetary policies will need to tighten more to keep inflation pressures at bay, while fiscal policy will need to prioritize health and social investment while focusing support for the most vulnerable.

India

The rollout of vaccination and gradual opening of the economy provided silver linings to the Indian economy, which experienced degrowth in FY21 which was the first time in multiple decades. However, the spread of the delta variant, rising input prices, and then the Omicron variant did disrupted the pace of economic recovery. The country reported a growth of 9.2% during the year under review. The government continues to provide the impetus for growth through various incentives to push the manufacturing sector as well as commit higher outlays for the country's infrastructure sector.

The accommodative stance taken by the RBI throughout the year under review helped the economy recover faster and boosted investments. The country reported robust GST Collections, with March 2022 reporting a record collection of ₹ 1.42 Lakh Crore. This was achieved through the waning impact of the Omicron variant, enhanced anti-evasion measures as well as a rate rationalization. Despite the short-term instability, India's core economic fundamentals remain solid, and the impact on the long-term outlook will be minimal. The effects of growth-enhancing policies and schemes (such as production-linked incentives (PLI) and the government's push toward self-reliance) and increased infrastructure spending is beginning to take effect and will result in a stronger multiplier effect on jobs and income, higher productivity, and increased efficiency—all of which will lead to faster economic growth.

According to the FICCI Economic Outlook Survey, the country's gross domestic product (GDP) is predicted to expand by 7.4% in the current fiscal year 2022-23.

The threats to economic growth are continuing to rise. While the possibility of a pandemic is still there, the ongoing conflict between Russia and Ukraine is creating a substantial barrier to global recovery.

Industry developments

Global Pharmaceutical Industry

The onset of the pandemic led to the global pharmaceutical industry facing several challenges. Despite the disruptions, the industry demonstrated immense determination in fighting off the pandemic. While vaccination was the core focus area for the industry worldwide, it also ensured a continued supply of critical medicines to keep the global healthcare system uninterrupted.

The global medicine market was valued at US\$1.4 trillion in 2021 and is expected to expand at a 3-6% CAGR through 2026, reaching around US\$1.8 trillion in overall market size in 2026, including spending on COVID-19 vaccines. The primary variables influencing medicine spending and growth in developed countries are projected to be the adoption of novel medicines, countered by patent lifecycles and competition from generics and biosimilars. The most significant drivers of change in the use of medicines in pharmerging nations will continue to be substantial improvements in healthcare access.

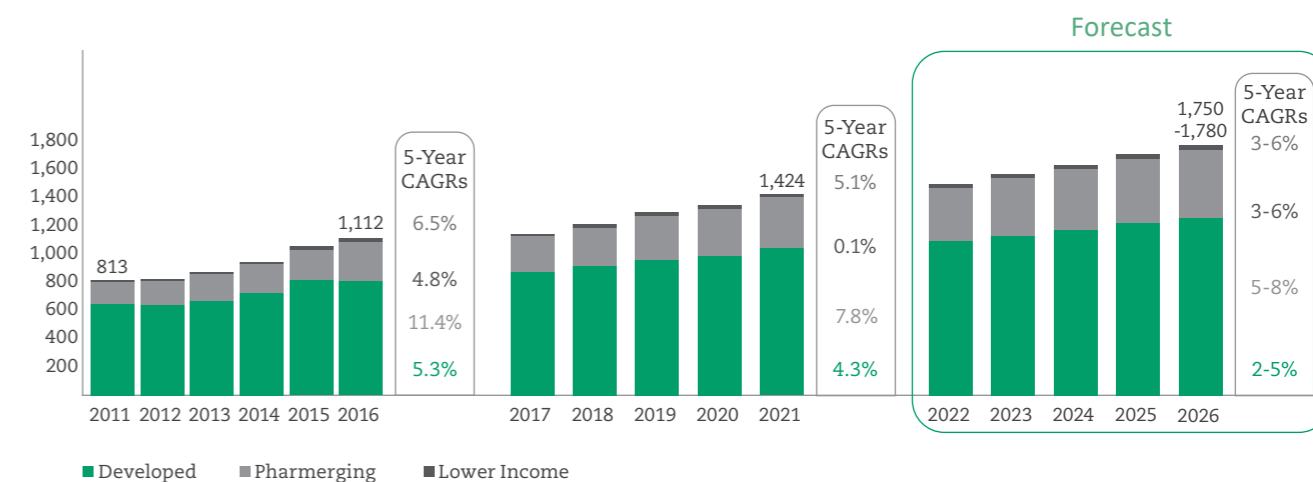
The pharmaceutical markets in the developed world grew at ~4.9% CAGR from 2017 to 2021 and are estimated to grow at about 2.5-5.5% CAGR by 2026. In developed countries, adopting new treatments, offset by patent to lifecycles and competition from generics and biosimilars, are expected to continue as the main factors influencing medicine spending and growth.

The pharmerging markets have reported a growth in spending at ~7.8% CAGR between 2017 and 2021 to reach US\$354.2 Billion in 2021. Pharmerging countries, led by China, are increasingly allowing access to newer medications, frequently earlier and to a larger portion of their populations than previously.

The COVID-19 disturbance had hampered the worldwide markets. Supply chain disruption, product releases, adoption, decreasing footfall at pharmacies and hospitals, and a slowdown in R&D activity were among the issues faced by the pharmaceutical business. Some of these headwinds have now started to ease with improved demand outlook. However, supply chain disruptions owing to covid waves and geopolitical risks around the Russia- Ukraine war continues to be a key risk.

Pharmaceutical and biopharmaceutical manufacturing will face various hurdles in 2022, ranging from formulation and delivery issues to skilled labor shortages and compressed schedules. Integration of sophisticated technologies is one possible answer to these problems. Challenges brought possibilities, especially in the pharmaceutical business, which is currently dealing with the aftermath of the COVID-19 pandemic and evolving under changing conditions. The upcoming opportunities have come in the form of Data analytics which will accelerate biotechnology innovation, and new operating models will bring much-needed agility.

Global pharmaceutical industry growth:



Source: IQVIA Market Prognosis, Sep 2021; IQVIA Institute, Nov 2021

The Generics Pharmaceutical market

The global generic drugs market reached a value of \$ 320 Billion in 2021. At a CAGR of 7%, the market is estimated to reach \$482.5 Billion by 2027.

Price deflation has largely countered growth from relevant patent expiry events, therefore, generics, including biosimilars, have had a minor impact on growth.

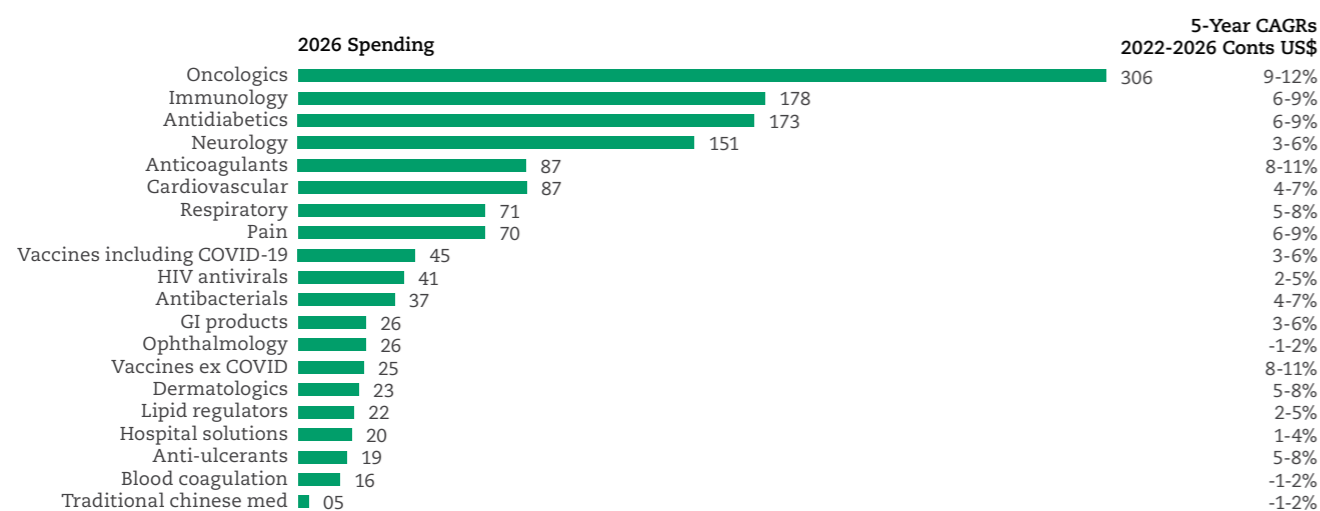
Global pharmaceutical market growth

Region	2021	2017-2021 CAGR	2026	2022-2026 CAGR
Developed	1,344.9	4.9%	\$1,635–1,665	2.5–5.5%
Pharmerging	354.2	7.8%	\$470–500	5–8%
Lower income countries	19.0	0.1%	\$21–25	2.5–5.5%
Global	1,423.5	5.1%	\$1,750–1,780	3–6%

Global pharmaceutical market 2025 – Product type

Region	Original brands	Non-original brands	Unbranded generics	Other
Developed	\$930–960	\$134–154	\$92–112	\$53–57
Pharmerging	\$151–171	\$146–166	\$59–63	\$88–108
Lower income countries	\$7–9	\$9–13	\$1–2	\$1–5
Global	\$1,100–1,130	\$295–325	\$154–174	\$146–166

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



The US

The US Pharmaceutical market saw a ~3.5% CAGR from 2017-21 to reach US\$580 Billion. This market is expected to grow at a 2%-5% CAGR to reach US\$605- 699 Billion by 2026. Expenditure is likely to expand at a rate of 0–3% in the United States, while rising off-invoice discounts and rebates are expected to restrict spending growth over time. Aside from discounts and rebates, ongoing market dynamics surrounding the use of medicines, the adoption of newer treatments, the impact of patent expirations, and new generic or biosimilar competition will all contribute to historically slow market growth in the United States over the next five years.

European Union (EU5)

The top five European Union (EU5) markets grew at a 4.8% CAGR from 2017-21 to reach US\$209.7 Billion and is projected to grow at about 3-6% CAGR to US\$245-275 Billion by 2026. Medicine spending in the top five European markets is predicted to rise by \$51 Billion over the next five years, up from \$44 Billion in the previous five, but with significant adjustments in growth drivers. Generics, including biosimilars, are

predicted to add \$15 Billion in growth over the next five years, almost the same as in the previous five years, despite a bigger impact of loss of exclusivity due to price deflation offsetting volume increases.

Japan

The market has witnessed marginal decline of 0.5% from 2017-21 to reach US\$85.4 Billion; and is projected to progress at around (-2)-1% CAGR to US\$73-93 Billion by 2026. While the pandemic made 2020 a price-cutting year, the more modest rebound in 2021 included an off-cycle price-cut as well as the epidemic's residual impacts on the market.

Australia

The Australian market grew by 0.6% from 2017-21 to reach US\$14.4 Billion and is projected to grow at around 2.5-5.5% CAGR to US\$16-19 Billion by 2026.

China

The Chinese market grew by 6.1% between 2017-21 to reach US\$169.4 Billion and is projected to grow at around 2.5-5.5% CAGR to US\$190-220 Billion by 2026

. China's growth continues to outpace the rest of the group, owing to a trend away from traditional Chinese medicine and toward original branded products. Over the next five years, government policies requiring annual updates to the national reimbursement drug list (NRDL) will result in a greater share of new original medicines being reimbursed, resulting in higher levels of spending, though these will generally be subject to lower negotiated net prices.

Africa

The pandemic has unearthed Africa's vulnerabilities in ensuring access to vital drugs, vaccines, and health technologies. Close 95% of the continent's medicine it uses is dependent on imports. Africa's US\$24 bn pharmaceutical market largely depend on companies outside the continent. It is expected that the market will reach a size of US\$45-65 Billion by 2030. The optimism comes from rapid urbanisation, severe under penetration and an expected surge in income driven by growing economic activities in the continent.

Company overview

Strides Pharma Science Limited is a global pharmaceutical company headquartered in Bengaluru, India. The Company mainly operates in the regulated markets including key markets of US, Europe, Australia, South Africa. The company also has presence in the emerging markets largely in Africa where it has a branded business and is a prequalified supplier to donor-funded programmes through its institutional business. The Company's global manufacturing sites are located in India (Chennai, Puducherry and two locations in Bengaluru), Singapore, Italy (Milan), Kenya (Nairobi), and the United States (New York). The Company focuses on "difficult to manufacture" products sold in over 100 countries

Our product portfolio includes 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.

Regulated markets

Our regulated markets business vertical focuses on the regulated markets of the US, UK, other parts of Europe, , Nordics, DACH region, South Africa., 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 de-grew by 14% y-o-y to ₹ 22,830 Million in FY 2021-22 from ₹ 26,636 Million in FY 2020-21. With over 73% of our consolidated revenues coming from this segment, it remains a key focus area for us.

US market

Our US business witnessed significant fall in revenues due to covid-related headwinds. The business saw drop in volumes and margin compression driven by heightened competitive intensity and higher channel inventory. However, our US business returned to sequential growth in the second half of FY 2021-22. During the year we successfully acquired the Chestnut Ridge site from Endo along with a basket of ~150 ANDAs. The acquisition added new domains to our portfolio including Controlled Substances, Hormones, Nasal Sprays and provides growth visibility in the near term through new launches from the combined portfolio. The Chestnut Ridge facility also completed a successful FDA inspect towards the end of FY22.

US business in FY 2021-22

₹ 11,650	274	249
Million Revenue	Cumulative ANDAs filed	Cumulative ANDAs approved

The US once again ranks first when it comes to being the world's largest and most attractive pharmaceutical market. The US accounted for almost half of pharmaceutical sales globally in 2021. The US pharma market is forecasted to grow at 2%-5% CAGR till 2026. Our subsidiary, Strides Pharma Inc. runs the front-end business in the US by providing quality healthcare products to the market in prescriptions and private label Over The Counter (OTC). Going forward, our focus will be to expand our product offering through new launches in the US leveraging a vast portfolio of approved products available and we will continue with our relentless focus on supply commitments along with strong customer advocacy We believe we are on track to achieve our growth outlook for FY 2022-23 in the US market.

FY 2021-22 achievements

- Retained volume market share for key base molecules.
- Relentless focus on supply chain and customer advocacy
- Successful completion of Chestnut Ridge acquisition in the US with ~150 ANDAs in diversified dosage formats including Controlled Substances, Hormones, Nasal Sprays to further accelerate portfolio differentiation
- Diversification of product portfolio that now comprises of acute and chronic products

Strategy for future

Going forward, our key objective is to bounce back in the US markets with new product launches from the

approved portfolio to achieve \$250m+ revenue in FY23. With 249 approved ANDAs and to launch ~20 products each year and have 100+ commercial products in the US in medium term. Further, we are focusing on cost improvement programmes (CIPs) through alternative API vendors and manufacturing network optimization to achieve improved COGS and operating margins.

Approved portfolio opportunity	New domain additions comprising Controlled Substances, Hormones, Nasal Sprays to further accelerate portfolio differentiation
Leveraging partnership with Chestnut Ridge	Target to launch ~ 20 new products every year between Strides and Chestnut Ridge portfolio in FY23 & 60+ launches over three years. Focus on stronger customer advocacy and superior supply execution to be a reliable partner for our channel partners
Tech transfer and cost improvement programmes	Tech transfer of Chestnut Ridge products to India for better cost arbitrage, institutionalization of alternate vendor development programmes, and cost improvement programmes are key focus areas to stay competitive.
Gain market share for existing products	Focus on increasing market share for existing products through cost competitiveness and supply reliability for partners

Other regulated markets

Other regulated markets for us include all regulated markets apart from the US. We have a strong presence in the UK, Europe, South Africa & Australia through our large and fungibility regulated market portfolio. Our regulated market witnessed steady performance across all our key markets despite high omicron case load. Our portfolio expansion is going to continue the growth momentum in the market.

Other regulated markets business highlights

FY 2021-22

₹ 11,180

Million Revenue

UK

We cater to the UK market through our wholly owned subsidiary Strides Pharma UK limited. We have an established presence in the market through a strong connect with channel partners and we are approved supplier under NHS. The UK pharmaceutical market is one of the largest markets in the region and is expected to grow at a CAGR of 4%-7% from 2022-2026. We can capitalize on this growth by tapping into multiple

distribution channels for Rx and OTC products – Direct wholesalers, NHS supplies and Clinical commissioning groups (CCG) and expanding our product offering for the market. We have been a reliable supplier of high-quality generics to Tier 1 & Tier 2 wholesalers in the retail sector as well as National Health Service (NHS) through Commercial Medicines Unit (CMU) tenders. We offer high-quality generics and heritage OTC brands in this market.

Europe

The pharmaceutical market in Europe is expected to grow at a CAGR of 3%-6% from 2022-2026. Due to Europe's diverse macroeconomic regions, multi-cultural and multi-government structure, the pharmaceutical market is diverse and region-specific. Our portfolio maximisation strategy takes advantage of this market scenario primarily through market fungibility. Our presence in Europe, the Nordic countries, and the DACH region is steadily growing. We're witnessing healthy traction across key frontend markets and partnership business in Europe.

Australia

We are a preferred long-term strategic supplier to Arrotex-the country's pharmaceutical behemoth with 60% of the market share. Our partnership with Arrotex covers a wide range of products. The CAGR of the pharmaceutical market in Australia is expected to be 1.5%-4.5% till 2026, we have a dedicated plant in India to cater to the Australian market. We continue to put in efforts to expand our product portfolio for the market including off-patent molecules.

South Africa

South Africa is the largest pharma market in Sub-Saharan Africa. In order to enter the highly compliance driven market of South Africa, we acquired Trinity Pharma in FY 2017-18 in order to incubate its strategy on a combination of businesses. The South African pharma market is estimated to grow at a CAGR of 4.5%-7.5% till 2026. We are leveraging the distribution of products through pharmacy chains and mail order systems. We are focused on improving our IP landscape and participate in the local ARV and Non-ARV opportunities through a steady regional footprint by building a strong base with portfolio maximisation.

FY 2021-22 achievements

- Delivered steady growth in revenue from ORM despite challenges of the multiple waves of the pandemic
- Market expansion in Central and Eastern Europe (CEE) and the Mediterranean region through partnerships
- Strong order book visibility driven by focused customer advocacy

Strategy for future

Base business	<ul style="list-style-type: none"> Prioritizing scaling up of partnership franchise in Europe and other geographies through strategic tie-ups and portfolio expansion
Portfolio	<ul style="list-style-type: none"> Focus on several new launches and new customer acquisitions to deliver improved outcomes
Research and development	<ul style="list-style-type: none"> Accelerate portfolio maximization opportunities through targeted R&D investments for Rx and OTC portfolio. Plan to launch several new products to be in FY 2022-23

Emerging markets

This segment includes our operations in Africa and institutional business which represents over 26% of our consolidated revenues.

During FY 2021-22, our performance in emerging markets was driven by our institutional business with healthy procurement from our partners. The growth in this business was greatly benefitted from a healthy customer offtake. The business in Africa was impacted by high covid cases being reported by several countries. We are focusing on improving Medical Representative (MR) productivity in order to drive growth in our Africa business.

26%

Of consolidated revenues represented by emerging markets

Africa

Africa business in FY 2021-22

₹ 3,210	16%	150+
Million Revenue	YoY growth	MR headcount

Africa is the first market where we initiated exports in the early 1990s, since then we have promised to cater to its unmet requirements. Our philosophy to conduct business activities is "In Africa for Africa", we bolstered this with the acquisition of a WHO-approved facility under Universal Corporations in Kenya. Despite the continent being a very complex market to do business in, we have achieved a significant sales footprint in African countries. The continent demonstrates an industry-leading growth which is driven by increasing urbanisation and rapid expansion of primary health care capacity. We intend to capitalize this growth through our rich brand portfolio along with several of the product registrations in the pipeline. In order to attain a leadership position in key African market, we have already established brands like

Renerve, Unibrol, Combiart, Duotab & Vitafer in the management of Neuropathy, Malaria and Anaemia respectively. We also have a robust medical field force in Africa in order to extend our reach to a large pool of doctors. Improving the quality of life by providing therapeutically effective, high-quality medication to the people in the region is integral to our business activities in Africa. We are also focused on building a robustly branded generics portfolio for the treatment of chronic therapies – including Women's health, CNS, Cardiovascular, Diabetes, Dermatology and Probiotics.

FY 2021-22 achievements

- Leveraged digital platforms to stay connected with pharmacies and doctors
- Established a PAN Africa presence with "In Africa, for Africa" strategy
- Local medical field force with coverage of 30,000 doctors
- Improved productivity for field force for a more profitable outcome for the business

Strategy for future

- We are focusing on scaling up Africa business through geographical expansion to new markets and better penetration of existing markets through portfolio expansion
- Focusing on improving MR productivity for the Africa business for a strong operating leverage

Institutional business

Institutional business in FY 2021-22

₹ 4,906

Million Revenue

With our purpose of bringing the best treatments at affordable costs to patients' all over the world, we develop and manufacture drugs in the anti-retroviral, anti-malarial, and other infectious disease drug segments for our institutional business. We are one of the leading Indian suppliers of drugs for institutionally funded aid projects and global procurement agencies and we are at the forefront in the fight against these global pandemics.

Institutional business continuous to be of strategic importance to us as we are an approved supplier to Institutionally funded aid projects and Global Procurement Agencies like USAID, Global Fund, PEPFAR (The US President's Emergency Plan for AIDS Relief), UNICEF, WHO, Pan American Health Organization (PAHO), United Nations Development Program (UNDP), Population Services International (PSI), Chemonics, PFSCM, amongst others. We supply our products to disease prone regions in Africa, Asia and Latin America with distribution to over 100 countries.

The manufacture of our Institutional range of products takes place at our world-class facilities in India and Kenya that comply with stringent regulatory standards and have regulatory approvals from the US-FDA, MHRA, TGA and WHO. Our WHO-approved manufacturing facility in Kenya is being used for global donor agencies and local government tenders in Africa. We are strengthening our R&D initiatives in order to develop next-generation products and we are also collaborating with agencies like UNITAID, Medicines Malaria Venture (MMV) and licensing agreements with Medicines Patent Pool (MPP), Gilead Life Sciences and Vive amongst others.

FY 2021-22 achievements

- Strong supply chain execution to meet supply obligations under donor funded programmes
- Started tech transfer of portfolio to our manufacturing site in Kenya for an “In Africa for Africa” market play
- Continued scale up of TLD franchise, one the largest ARV products

Strategy for future

Going forward, we are focusing on improving our wallet share in institutional business through our cost leadership and selective expansion of product portfolio.

Financials

Consolidated financial performance

Particulars	₹ in Million	
	FY 22	FY 21
Revenue	30,946	33,308
EBITDA	43	6,497
Adjusted PAT/Loss	(3,550)	3,090

Key ratios (%)

Particulars	(number)	
	FY 22	FY 21
Debtors' turnover	2.65	3.25
Inventory turnover	1.27	1.34
Interest coverage	0.98	4.72
Current ratio	1.14	1.11
Debt equity	1.18	0.76
EBITDA margin (%)	0.10%	19.50%
Net profit margin (%)	-15%	7%

A research-focused organisation

Our success in creating niche and differentiated products portfolio reflects our expertise in Research and Development. We have an integrated R&D Centre in Bangalore which has the capability to develop and file products for key regulated and emerging markets. Our R&D centre located in Bangalore is 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 imbued with continuous learning and innovation. We are actively engaging in the development of a wide range of dosage forms with special emphasis on novel drug delivery systems for solid orals (modified release tablets and capsules) and soft gelatin capsules for both Regulated and Emerging markets. In order to deliver sustainable growth, we are focusing our product selection on niche products characterized by complex formulations across diverse therapeutic segments. Constant endeavours of Strides to improve our R&D along with our strong formulation R&D capabilities combined with knowledge of the regulatory environment in Regulated markets have resulted in successful product registrations in several markets.

Strengthening the IT infrastructure

The availability of multiple vaccines within a year for tackling COVID-19 wouldn't have been possible without the correct use of digital technology in extraordinary ways. A significant percentage of our volumes are manufactured using the programme for Manufacturing Execution System (MES), a typically multi-year initiative. MES system empowers our whole manufacturing operations to be GMP-compliant along with automatic capturing of data from different machines and instruments. We can generate electronic 'Batch Manufacturing Records' enabling us to quickly release the batches with 'Review by Exception' using MES. Electronic logbooks have enabled us to avoid documentation mistakes and ensure concurrent entries of all activities.

People management

Strides has a global team of around ~4,200 people working in diverse and harmonious work environment with an open and transparent culture. We pursue a merit-based recruitment, reward and recognitions policy and attract and retain the best talent. We put a lot of emphasis on growth through learning in order to motivate our people to align their goals with the organization goals.

Our top management connects with our global employee base during communication sessions that we conduct several times during the year as a part of our transparent organisational culture. In order to encourage two-way communication across the organisation, we have an app-based for employee feedback and governance.

We adhere to the highest standards of ethical, moral and legal conduct of business operations.

We have a Whistle Blower Policy which provides a 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 conduct adequate trainings, workshops and awareness programmes against sexual harassment across the organization and we have also adopted a gender-neutral Prevention of Sexual Harassment (POSH) policy.

Quality compliance

Achieving high benchmarks in the compliance curve has always been Stride's emphasis. Clearly defined agendas concerning people, processes, products and technologies is provided by our quality excellence programme. We train our people in advanced quality management through specific programmes, enabling the identification, reporting and rectification of quality concerns at Strides.

Enterprise Risk Management at Strides

We are operating in an uncertain environment for past two years due to the pandemic. However, it is a highly interconnected world with stringent regulatory oversight, rapidly evolving external environment, with increasing geopolitical tensions, environmental risks, supply chain disruptions and fast-paced technological evolution, that could have an impact across the value chain of the organisation. Strides continues to be on its journey of institutionalising its Enterprise-wide Risk Management (ERM) Programme to provide a holistic view of our risk exposures as well as to facilitate a risk informed decision-making, in the highly volatile and uncertain business environment.

The Board of Directors and the Senior Management are cognizant of the importance of equipping the organisation with the necessary framework and processes to navigate the complex and dynamic risk environment in the short term and the long term.

In its journey towards risk intelligence, a robust risk governance structure has been developed across the Group globally. The Board of Directors have constituted a Risk Management Committee (RMC). Further, to drive ERM process across the Group, a Group Risk Steering Committee has been constituted at the Senior Management level. It is also proposed to establish entity/ regional specific Steering Committees to monitor risks periodically at local business level.

At Strides, we acknowledge the fact that having a robust and pervasive risk-intelligent culture is essential for achieving Company's objectives and build resilience for the future. We are consistently mapping various levels of risks inherent in our business strategies and operations. The central risk office led by Chief Risk Officer, assists RMC and Group Steering Committee in risk monitoring and reporting process. The CRO

regularly reports to the RMC and the Group Risk Steering Committee on the status of the potential risks based on the assessment of risks and the mitigation strategies. Employees are also being kept abreast with the leading risk management practices through training programmes and workshops.

Risk Management Framework and Process

The Company has adopted a combination of a bottom-up and top-down approach to drive ERM across the business units and subsidiaries. The process includes identification and regular assessment of risks by respective business heads/risk owners across the Company and planning of mitigation strategies in a structured manner. At the Organizational level, the leadership team identifies and assesses long-term and strategic risks for the Company. Risks are consolidated under major risk themes at the enterprise level to create focus areas and prioritise mitigation strategies. The ERM process is integrated with core processes such as Strategy and Planning, Mergers & Acquisitions and Internal Audit.

We acknowledge that risk management is a dynamic and ever evolving concept and hence, it is important to revisit the policies, framework, and processes periodically to ensure that they remain adequate and relevant. At Strides, we review our risk management framework on a regular basis to not only align with the changing regulatory requirements but more importantly to increase the maturity and resilience of the Company's risk response mechanism. Recent changes in the framework have been made to bring in the following enhancements:

- Leveraging data and technology to anticipate and measure risks
- Data-driven key risk indicator monitoring for enhanced risk monitoring and reporting
- Ingraining risk-based decision making and implementing mechanisms to reward best practices
- Integration of the ERM framework with the Environment, Social and Governance (ESG) practices of the Group
- Extending the risk management practices beyond risk mitigation, to planning for business continuity mechanisms

While risks can never be completely eliminated, we believe that these changes will improve our organizational maturity and preparedness for managing unforeseen risks as well respond to various crisis scenarios.

Key Risks in the Business:

We regularly review our key risk areas, and the leadership retains the responsibility for determining the nature and extent of significant risks and drawing out commensurate mitigation and response plans. We set out below our principal risks identified

1. Ensuring Business Continuity
2. Workforce Health and safety
3. Product Quality and Efficacy
4. Supply Chain Disruptions and Increasing input costs
5. Price-erosion and competition in the Regulated Markets
6. Cyber-security and Data Privacy regulations
7. Environment, Health and Safety (EHS) Risks
8. Regulatory and Compliance Management

As the organization focusses on business growth, we are committed to step up our investments in resources, tools and technologies 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 organizational ecosystem in a timely and effective manner.

“Dealing with risks and managing uncertainties is a key mantra and an essential skill for any organization today. Our reputation as an organisation is measured by our resilience to respond to uncertainties. Strides is committed to minimising risks and maximising performance through increased awareness and maturity towards risk management. A robust Enterprise Risk Management blueprint is vital to enable business and operations to take risk-informed decisions, manage crisis scenarios and build a risk-aware culture” - Sormistha Ghosh, Group General Counsel & Chief Risk Officer

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 Shareholders,

On behalf of the Board of Directors of the Company, it gives us pleasure in presenting the 31st Board’s Report, along with the Audited Financial Statements (Consolidated & Standalone) for the financial year ended March 31, 2022.

1. Financial performance

The Company has prepared the consolidated and standalone financial statements for the financial year ended March 31, 2022, 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, 2022 as compared to previous year is provided below:

Particulars	(Figures in Million)							
	Consolidated Basis				Standalone Basis			
	FY 2021-22		FY 2020-21		FY 2021-22		FY 2020-21	
	INR	USD*	INR	USD**	INR	USD*	INR	USD**
1.1 Financial								
Continuing Operations								
Income	32,022.38	421.74	33,672.97	460.34	21,024.88	276.90	19,465.62	266.11
Operating Profit (EBITDA)	1,118.82	14.73	6,862.57	93.82	2,001.15	26.36	2,763.16	37.77
Net Profit (PAT)	(4,742.50)	(62.46)	2,437.88	33.33	1,801.88	23.73	782.40	10.70
Other Equity	22,694.38	298.89	26,869.80	367.33	33,168.93	436.84	31,583.77	431.78
Non-Controlling Interest	240.88	3.17	373.41	5.10				
1.2 Profits								
Operating Profit (EBITDA)	1,118.82	14.73	6,862.57	93.82	2,001.15	26.36	2,763.16	37.77
Less:								
Finance Cost	1,767.44	23.28	1,500.65	20.52	742.41	9.78	653.39	8.93
Depreciation & Amortization	2,330.14	30.69	2,062.87	28.20	1,043.66	13.75	993.42	13.58
Exceptional Items (gain)/loss	2,438.25	32.11	(433.53)	(5.93)	-	-	-	-
Profit Before Tax	(5,417.01)	(71.34)	3,732.58	51.03	215.08	2.83	1,116.35	15.26
Share of profit / (loss) of joint ventures and associates	(1,108.12)	(14.59)	(978.19)	(13.37)				
Profit Before Tax	(6,525.13)	(85.94)	2,754.39	37.65	215.08	2.83	1,116.35	15.26
Less: Tax Expenses /(Benefit)	(1,782.63)	(23.48)	316.51	4.33	(1,586.80)	(20.90)	333.95	4.57
Profit After Tax	(4,742.50)	(62.46)	2,437.88	33.33	1,801.88	23.73	782.40	10.70
Profit/ (Loss) from Discontinued operations	-	-	139.41	1.91	-	-	-	-
Total Profit	(4,742.50)	(62.46)	2,577.29	35.23	1,801.88	23.73	782.40	10.70
Other Comprehensive Income								
Items that will not be reclassified to profit/ (loss) (Net of Tax)	(67.68)	(0.89)	90.38	1.24	(1.63)	(0.02)	(15.19)	(0.21)
Items that may be reclassified to profit/ (loss) (Net of Tax)	557.67	7.34	75.17	1.03	(38.58)	(0.51)	254.44	3.48
Total Other Comprehensive Income (Net of Tax)	489.99	6.45	165.55	2.26	(40.21)	(0.53)	239.25	3.27
Total Comprehensive income	(4,252.51)	(56.01)	2,742.84	37.50	1,761.67	23.20	1,021.65	13.97
Dividend on Equity Shares								
Final Dividend (including taxes)	-	-	(179.14)	(2.45)	-	-	(179.14)	(2.45)

Notes:

* 1 USD = ₹75.93 (Exchange Rate as on March 31, 2022)

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

2. Company's performance

FY22 has been a challenging year for the pharma industry and, particularly for Strides, given the significant headwinds.

We have witnessed unusual price erosion and volume drops in the Regulated Markets, leading to significant compression in our gross margins. The business was also impacted due to Covid-led disruptions in the first half of the financial year.

On a consolidated level, we reported a muted financial performance during the year. The Company's operating performance was impacted by increase in raw material prices with disruption in the global supply chain and a significant increase in the cost of operations during the year. The Company's logistics and warehousing costs were 10% of sales in FY22 versus 6% in FY21.

Regulated Markets

The Regulated Markets vertical comprising businesses in the US and Other Regulated Markets, including the UK, the EU, Canada, Australia, and South Africa, witnessed a revenue decline of 8% during the year. Business performance of this market was impacted by a significant fall in the US market revenues owing to Covid-related headwinds, leading to drop in volumes and margin compression on account of heightened competitive intensity and higher channel inventory.

Other Regulated Markets had a tepid growth impacted by Covid during the first half; however, in the last quarter, the business witnessed a strong rebound.

US business

The US business contributed ₹11,650 Million (38%) to the consolidated revenues of FY22, registering 27% de-growth over the last year. The business was significantly impacted by Covid-led challenges in the market, leading to a lower prescription rate for the products. The US business environment is constantly evolving post-Covid, with select products recouping both volume and price, while several other products continue to face price intensity and lower volume pick-up. While the Company believes the ambiguity will continue in the near term, given that Covid's future impact is unknown, it stays confident to navigate the evolving environment and meet a revenue target of over \$250 Million for the US market in FY23.

Other Regulated Markets

Other Regulated Markets delivered 4% y-o-y growth in FY22. It contributed ₹11,180 Million (36%) to the consolidated revenues of FY22. While the business delivered a moderate performance, the results were impacted by Covid-led disruption for 3-4 months during the year. During the year,

the Company focused on several new launches and new customer acquisitions across the markets to deliver improved outcomes.

Other Regulated Market business is a significant part of the Company's growth strategy driven by frontend presence in key markets and IP-led B2B partnerships in Europe, Australia and other parts of the world. The Company has committed R&D investments to fast-track portfolio maximization opportunities for Rx and OTC portfolios and several new products to be launched in FY23.

Emerging Markets

Emerging Market business includes African operations (except South Africa) and Institutional Business (i.e., Access Markets). This business saw a steady performance in FY22, contributing ₹8,116 Million (26%) to FY22 consolidated revenues. The Africa business scale-up continues to be driven by expanding geographical footprint in the region and better penetration of existing markets through portfolio expansion. While the Institutional Business is a low-margin business, it is critical in reducing under-recoveries, while the regulated markets volumes ramp up. Growth in this business will continue to be driven by improved wallet share in the products through cost leadership and selective expansion of the product portfolio.

Research & Development (R&D)

During the year, R&D investments of the Company were at ₹970 Million. The Company has an ANDA basket of a wide range of dosage formats and a mix of acute and chronic products that will help diversify product offerings and render stability to the portfolio.

The Company has 274 ANDAs, including 249 approved ANDAs, which provides substantial growth visibility in the near term for the US business and an opportunity to launch new products for the other global markets.

On a go-forward basis, the Company targets optimizing R&D investment for the US as it unlocks value from the large basket of approved products. The Company is shifting its R&D focus to other regulated markets and other geographies by leveraging the vast portfolio already approved. The Company's focus on cost improvements will significantly lead the new launches to achieve an improved price point for the commercial launch.

Outlook

Considering the evolving business environment, Company has made several changes to its business with a focus on growth. Growth across the markets will be driven by portfolio expansion, leveraging Company's approved portfolio and new customer acquisitions for its IP-led B2B business. The Company will aggressively focus on cost reduction

and reduction of gross debt by over ₹10 Billion in FY23 (which will bring our Net Debt to EBITDA ratio below 3x).

While the operating environment continues to evolve and is ambiguous, the Company stays confident of a bounce-back in FY23 to deliver significant value for our stakeholders in the coming years.

3. Dividend for FY22

Considering FY22 performance of the Company, Board of Directors of the Company have decided not to recommend any dividend for the year.

In terms of Regulation 43A 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 <https://www.strides.com/cg-corporate-policies.html>

4. Transfer to Reserves

Movement in Reserves and Surplus during the financial year ended March 31, 2022, is provided in the Statement of Changes in Equity included in the Consolidated and Standalone Financial Statements (Refer Note no. 20 and 19 respectively).

5. Corporate Updates

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

a) Acquisition of manufacturing facility in the US along with baskets of ANDAs

To accelerate Company's growth momentum for the US business, the group acquired a manufacturing facility situated at Chestnut Ridge, New York along with a basket of ANDA portfolio from the subsidiaries of Endo International plc (Endo) during October 2021. The acquisition strengthens Strides' portfolio, front-end presence, and local manufacturing capability for the US.

The transaction was undertaken by Strides' subsidiaries in the US and Singapore, as under:

- **Chestnut Ridge manufacturing facility** was acquired by Strides Pharma Inc., a step-down wholly owned subsidiary of the Company in the US.

This facility has an annual capacity of 2 billion units across multiple dosage forms and is registered with the Drug Enforcement Administration (DEA), enabling it to manufacture controlled substances.

Being in the US, this facility shall drive logistics related synergies for the Strides' US business and will enable the group to mitigate supply chain related bottlenecks as faced during the Covid pandemic or any similar disruptions going forward.

Further, this site will also be able to participate in various federal government procurement programmes including the Department of Veterans Affairs, thereby strengthening the group's ability to cater to federal contracts.

- **ANDA Portfolios** was acquired by Strides Pharma Global Pte. Limited, a step-down wholly owned subsidiary of the Company in Singapore.

The acquired portfolios have 20 commercial products and a basket of ANDAs which shall help fast track group's new launch strategy for the US markets.

Aggregate consideration for the transaction was ~US\$24 Million, which was financed by a combination of internal accruals and debt financing.

Given the scale and capabilities of this facility, Strides Pharma Inc., USA divested the West Palm Beach site in Florida in December 2021 to consolidate the soft gel capability (including VA opportunities) at Chestnut Ridge for better manufacturing cost synergies.

b) Issuance of Equity Warrants to a promoter group entity

The Company allotted 2 Million Equity Warrants on April 26, 2022, on a preferential basis to M/s. Karuna Business Solutions LLP (Karuna), a promoter group company, at a price of ₹442/- per Equity Warrant, pursuant to the approval accorded by the Shareholders of the Company at the Extraordinary General Meeting held on April 7, 2022.

The said allotment is in compliance with the provisions of the Companies Act, 2013, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable regulations.

The Company has received 25% of the upfront amount of ₹221 Million towards subscription of the Warrants from Karuna. Karuna has a right to apply for and get allotted, within a period of 18 months from the date of allotment of Warrants, in one or more tranches, One Equity Share of face value of ₹10/- each for each Warrant.

c) Amalgamation of Vivimed Life Sciences Private Limited into the Company

The Board of Directors of the Company at their meeting held on February 10, 2022 have approved an updated 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).

The Scheme was originally approved by the Board during October 2020. However, the Company did not proceed at that time and the current Scheme supersedes the original Scheme.

Appointed Date for the said Scheme is April 1, 2022, 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 National Company Law Tribunal, Mumbai

Bench and other statutory/ regulatory approvals, as may be required. Procedural activities in this matter are underway.

d) Update on Stelis Biopharma Limited (Stelis)

Stelis, as a biopharmaceutical company, has integrated capabilities in development, scale-up and commercial manufacturing of biologics, bio betters, biosimilars and vaccines.

As at March 31, 2022, Stelis has over US\$300 Million of capital invested, of which US\$225 Million has been invested as equity from Strides and other investors of Stelis which includes global marquee investors such as TPG Growth, Think Investment, Route One, GMS, and the family office of Mr. Mankekar apart from the Promoters of Strides.

Company continues to evaluate options to unlock value of its investments in Stelis.

A detailed update on Stelis and its capabilities is part of the Annual Report.

Mr. Arun Kumar (DIN: 00084845), Founder and Chairperson (Non-Executive Director) of the Company, was appointed as the Executive Chairperson & Managing Director of the Company for a period of three years effective from April 7, 2022. Approval of the Shareholders of the Company is being sought through Postal Ballot for the said appointment. Mr. Arun Kumar is also one of the KMP of the Company effective April 7, 2022.

- 4) Mr. Homi Rustam Khusrokhani (DIN: 00005085) was re-appointed as an Independent Director of the Company for a second term of five years commencing from May 18, 2022 upto May 17, 2027. Approval of the Shareholders of the Company was received at the Extraordinary General Meeting held on April 7, 2022.

Retirement by Rotation & Re-appointment

Proposal for re-appointment of Mr. Badree Komandur, retiring director, as Executive

Director of the Company shall be placed before Shareholders of the Company at the ensuing AGM. Your Directors recommend his re-appointment 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 31st AGM of the Company for reference of the Shareholders.

7. Meetings of the Board and Board Committees

Details of meetings of Board and Board Committees held during FY22 along with information relating to attendance of each of the directors/ committee members is provided in the Corporate Governance Report, which forms part of this Annual Report.

6. Board of Directors and Key Managerial Personnel (KMP) of the Company

As at the date of this Report, the Board comprised of Seven Directors viz., Two Executive Directors and Five Non-Executive Directors of whom Four are Independent Directors, details of which are provided below:

#	Name	Designation
Executive Directors		
1	Arun Kumar	Executive Chairperson & Managing Director (KMP)
2	Badree Komandur	Executive Director – Finance & Group CFO (KMP)
Non-Executive Directors		
3	Deepak Vaidya	Non-Executive Director & Chairperson of Stakeholders Relationship Committee
4	S Sridhar	Independent Director & Chairperson of Audit Committee
5	Bharat Dhirajlal Shah	Independent Director & Chairperson of Nomination & Remuneration Committee
6	Homi Rustam Khusrokhani	Independent Director & Chairperson of Risk Management Committee
7	Dr. Kausalya Santhanam	Independent Director & Chairperson of CSR Committee
Company Secretary		
8	Manjula Ramamurthy	Company Secretary (KMP)

Changes in the Board of Directors & KMP of the Company during the year and to the date of this report is as under:

- 1) Mr. Bharat Dhirajlal Shah (DIN: 00136969) was re-appointed as an Independent Director of the Company for a second term of three years commencing from June 15, 2021 upto June 14, 2024. Approval of the Shareholders of the Company was received on June 11, 2021 through Postal Ballot.
- 2) Re-appointed Mr. Deepak Vaidya (DIN: 00337276), retiring director, as a non-executive director of the Company at the Annual General Meeting held on September 3, 2021.
- 3) Dr. R Ananthanarayanan (DIN: 02231540), resigned from the post of Managing Director & CEO (KMP) of the Company effective from the close of business hours of March 31, 2022 to pursue his personal interests outside the organization.

Further, in terms of Regulation 17 (1A) of the SEBI Listing Regulations, approval for continuation of Mr. Shah as an Independent Director of the Company beyond the age of 75 years, was received from the Shareholders

of the Company on January 14, 2022 through Postal Ballot.

8. Authorised Share Capital

Authorised Share Capital of the Company as at March 31, 2022 is ₹1,883,700,000/- divided into 188,370,000 equity shares of ₹10 each.

Issued, Subscribed and Paid-up Share Capital

Date	Number of Shares	Amount	Remarks
April 1, 2021	89,680,964 equity shares of face value ₹10 each	₹896,809,640/-	-
March 31, 2022	89,790,214 equity shares of face value ₹10 each	₹897,902,140/-	Includes 109,250 equity shares issued pursuant to exercise of ESOP during the year.
May 24, 2022 (i.e., as at date of this Report)	89,803,714 equity shares of face value ₹10 each	₹898,037,140/-	Includes 13,500 equity shares issued pursuant to exercise of ESOP post Balance Sheet Date.
Convertible Securities			
April 26, 2022	2 Million equity warrants of face value ₹10 each (Issue Price: ₹442/- per warrant)	₹20,000,000/-	Convertible within a period of 18 months from the date of allotment of Warrants, in one or more tranches.

9. Subsidiary, Joint Ventures and Associate Companies

Details of Subsidiaries, Joint Venture and Associate entities as at March 31, 2022 are provided herein below:

Nature of Relationship	India	Overseas	Total
Subsidiaries	2	32	34
Joint Ventures	-	1	1
Associates	3	5	8
Total	5	38	43

List of Subsidiaries, Joint Venture and Associate entities which have become or ceased to be part of the Group 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 statement.

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 has one 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 and Sweat Equity) Regulations, 2021 is enclosed as Annexure-2 to this Report and is also available at <https://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 Shareholders of the Company and others entitled thereto.

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

14. Corporate Social Responsibility (CSR)

Strides CSR initiatives help address socio-economic challenges in the realms of Health and Hygiene, Education, Employability and Disaster Management, which are projects in accordance with Schedule VII of the Companies Act, 2013.

During the year, the Company amended its CSR Policy to align with the provisions 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 FY22 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 enclosed 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 <https://www.strides.com/cg-corporate-policies.html>

17. Auditors and Audit Reports

Secretarial Audit Report

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

Secretarial Audit for FY22, inter-alia, included audit of compliance with the Companies Act, 2013, and the Rules made thereunder, 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

The Auditors Report given by M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration no. 101248W/ W-100022) for the financial year ended March 31, 2022, is enclosed along with the financial statements in the Annual Report. The Auditors Report for the year under review does not contain any qualifications, observations or adverse remarks.

M/s. B S R & Co. LLP, Chartered Accountants were appointed as Statutory Auditors of the Company at the AGM held on September 15, 2017 for a term of five (5) years from the conclusion of the 26th AGM till the conclusion of the 31st AGM of the Company.

The Audit Committee and the Board of Directors of the Company at their meeting held on May 24, 2022 approved the re-appointment of M/s. B S R & Co. LLP, Chartered Accountants as the Statutory Auditors for a second term of five (5) years i.e., from the conclusion of the 31st AGM till the conclusion of the 36th AGM of the Company to be held in the year 2027.

The necessary resolution seeking your approval for their re-appointment as statutory auditors are included in the notice of ensuing AGM along with necessary disclosures required under the Companies Act, 2013 and the SEBI Listing Regulations.

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 FY22.

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 identification and management of risks. In line with 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

a) Nature of Business of the Company

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

b) 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.

c) 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 <https://www.strides.com/cg-corporate-policies.html>

d) 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 <https://www.strides.com/cg-corporate-policies.html>

e) Disclosure on compliance with Secretarial Standards

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

f) 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, 2022.

g) 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.

h) 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/cg-annual-return.html>

Draft Annual Return for FY22, is also uploaded in the above section. Upon filing the same with Registrar of Companies, filed return shall be uploaded.

i) 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.

j) Policy on prevention of Sexual Harassment at workplace

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

In terms of the PoSH Act, Company has also constituted Internal Complaints Committee (ICC) to redress complaints received on sexual harassment. 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.

k) General

a) During the year, the Company has not made any application under the Insolvency and Bankruptcy Code, 2016. Further, there is no Corporate Insolvency Resolution Process initiated under the IBC Code.

b) During the year, there was no one-time settlement done with the Banks or Financial Institutions.

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 continue to 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.

In the opinion of the Board, Independent Directors of the Company possess necessary expertise, integrity and experience in their respective fields.

Further, all the IDs have confirmed that they have registered with the databank of Independent Directors maintained by Indian Institute of Corporate Affairs in accordance with the provisions of Section 150 of the Companies Act, 2013.

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 process has 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 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, if any;
- (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 24, 2022
Place: Bengaluru

Arun Kumar
Executive Chairperson & Managing Director
DIN: 00084845

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

(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.	Name of the Subsidiary	Country of incorporation	Reporting Period	Reporting Currency	Exchange Rate	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	Shareholding (%)
1	Altima Innovations Inc.	USA	31-03-2022	USD	75.93	204.33	(203.74)	0.58	-	-	-	(0.04)	-	(0.04)	-	100.00%
2	Apollo Life Sciences Holdings Proprietary Limited	South Africa	31-03-2022	ZAR	5.19	-	-	1.87	1.87	-	(0.32)	3.20	0.01	3.19	-	51.76%
3	Arco Lab Private Limited	India	31-03-2022	INR	1.00	1.72	159.46	495.19	334.01	-	899.54	43.26	11.95	31.31	-	100.00%
4	Arrow Life Sciences (Malaysia) SDN BHD	Malaysia	31-03-2022	MYR	17.98	0.99	(1.87)	(0.68)	0.20	-	-	(0.29)	-	(0.29)	-	100.00%
5	Arrow Pharma Pte Ltd	Singapore	31-03-2022	USD	75.93	148.97	(148.12)	0.71	(0.14)	-	-	(0.98)	-	(0.98)	-	100.00%
6	Arrow Pharma (Private) Limited [*]	Sri Lanka	31-03-2022	LKR	0.26	13.12	(13.12)	-	0.01	-	-	(0.31)	-	(0.31)	-	0.00%
7	Arrow Pharma Life Inc.**	Philippines	31-03-2022	PHP	1.46	14.03	(14.03)	-	0.01	-	-	1.36	-	1.36	-	0.00%
8	Beltapharm S.p.A. [^]	Italy	31-12-2021	EUR	84.03	122.35	54.31	474.35	297.69	-	510.29	(22.32)	-	(22.32)	-	97.94%
9	Eris Pharma GmbH [^]	Germany	31-12-2021	EUR	84.03	2.10	(24.97)	13.98	36.85	-	7.54	(3.40)	-	(3.40)	-	70.00%
10	Fairmed Healthcare AG [^]	Switzerland	31-12-2021	CHF	82.28	101.20	(132.44)	1,907.35	1,938.58	-	802.51	(162.67)	0.14	(162.81)	-	70.00%
11	Fairmed Healthcare GmbH [^]	Germany	31-12-2021	EUR	84.03	17.65	(1,650.71)	661.57	2,294.63	-	373.82	(301.37)	0.03	(301.40)	-	70.00%
12	Generic Partners R&D Pte. Ltd. #	Singapore	31-03-2022	AUD	56.80	-	-	-	-	-	-	-	-	-	-	0.00%
13	Generic Partners (International) Pte. Limited #	Singapore	31-03-2022	SGD	56.03	-	-	-	-	-	-	0.10	-	0.10	-	0.00%
14	Generic Partners (Canada) Inc.**	Canada	31-03-2022	CAD	60.74	-	-	-	-	-	-	12.60	-	12.60	-	0.00%
15	Generic Partners UK Limited	UK	31-03-2022	GBP	99.74	0.01	41.56	42.43	0.86	-	-	(2.72)	-	(2.72)	-	100.00%
16	Pharmapar Inc.@ [^]	Canada	31-12-2021	CAD	60.74	303.72	(438.77)	74.45	209.49	-	119.04	(121.84)	-	(121.84)	-	100.00%
17	Shasun Pharma Solutions Inc.\$	USA	31-03-2022	USD	75.93	39.78	(39.78)	-	-	-	-	0.70	-	0.70	-	0.00%
18	Stabilis Pharma Inc.	USA	31-03-2022	USD	75.93	0.08	(0.28)	0.07	0.26	-	-	(0.24)	-	(0.24)	-	100.00%
19	Steilis Biopharma (Malaysia) SDN. BHD.	Malaysia	31-03-2022	MYR	17.98	238.81	(145.85)	93.42	0.44	-	-	1.34	-	1.34	-	100.00%
20	Strides Arcolab International Limited	UK	31-03-2022	USD	75.93	4,843.96	(83.32)	8,108.85	3,348.22	664.03	-	(479.28)	-	(479.28)	-	100.00%
21	Strides CIS Limited	Cyprus	31-03-2022	USD	75.93	0.25	(2.78)	0.63	3.17	-	-	0.28	-	0.28	-	100.00%

Sl. No.	Name of the Subsidiary	Country of incorporation	Reporting Period	Reporting Currency	Exchange Rate	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	Shareholding (%)
22	Strides LifeSciences Limited	Nigeria	31-03-2022	NGN	0.18	0.53	(234.17)	24.32	257.96	-	22.91	(56.77)	0.14	(56.91)	-	100.00%
23	Strides Pharma (Cyprus) Limited	Cyprus	31-03-2022	EUR	84.03	0.24	1,333.96	1,548.96	214.77	-	1,238.50	221.92	6.02	215.90	-	100.00%
24	Strides Pharma (SA) Pty Ltd	South Africa	31-03-2022	ZAR	5.19	-	(40.32)	254.53	294.85	-	226.28	(22.24)	-	(22.24)	-	60.00%
25	Strides Netherlands B.V. [^]	Netherlands	31-12-2021	EUR	84.03	1.69	16.30	195.15	177.17	-	173.87	13.89	(0.52)	14.41	-	100.00%
26	Strides Nordic ApS,	Denmark	31-03-2022	DKK	11.29	0.45	(11.82)	278.21	289.57	-	228.88	(31.78)	(5.18)	(26.60)	-	100.00%
27	Strides Pharma Science Pty Ltd	Australia	31-03-2022	AUD	56.80	103.21	(63.86)	41.27	1.92	-	-	(23.58)	-	(23.58)	-	100.00%
28	Strides Pharma Global (UK) Limited	UK	31-03-2022	GBP	99.74	4,324.47	(2,810.92)	1,524.14	10.58	29.38	-	(236.47)	-	(236.47)	-	100.00%
29	Strides Pharma Asia Pte. Ltd.	Singapore	31-03-2022	USD	75.93	13,312.76	1,773.21	15,715.28	629.31	-	0.48	(0.01)	-	(0.01)	-	100.00%
30	Strides Pharma Canada Inc. [^]	Canada	31-12-2021	CAD	60.74	476.22	(86.80)	418.89	29.47	-	125.64	4.29	-	4.29	-	100.00%
31	Strides Pharma Global Pte. Singapore Limited	Singapore	31-03-2022	USD	75.93	15,402.91	(1,309.43)	31,970.62	17,877.15	82.02	10,946.02	(5,179.64)	(238.82)	(4,940.82)	-	100.00%
32	Strides Pharma Inc.	USA	31-03-2022	USD	75.93	1,530.86	4,860.60	17,774.60	11,383.14	18.45	9,782.58	(984.77)	(280.47)	(704.30)	-	100.00%
33	Strides Pharma International Limited	Cyprus	31-03-2022	USD	75.93	33.26	1,101.35	1,254.17	119.56	-	-	70.78	8.86	61.92	-	100.00%
34	Strides Pharma UK Ltd.	UK	31-03-2022	GBP	99.74	1.44	733.87	3,382.01	2,646.70	-	1,936.67	(266.97)	(32.12)	(234.85)	-	100.00%
35	Strides Pharma Latina, SA de CV	Mexico	31-03-2022	MXN	3.80	42.87	(24.67)	24.97	6.77	-	2.04	(3.32)	-	(3.32)	-	80.00%
36	Strides Vivimed Pte. Ltd #	Singapore	31-03-2022	USD	75.93	-	-	-	-	-	-	(0.35)	-	(0.35)	-	0.00%
37	SVADS Holdings SA	Switzerland	31-03-2022	CHF	82.28	466.59	(29.77)	634.95	198.13	-	-	(52.10)	8.05	(60.15)	-	100.00%
38	Trinity Pharma (Pty) Ltd.	South Africa	31-03-2022	ZAR	5.19	0.01	324.93	1,353.05	1,028.11	-	1,994.14	119.00	35.89	83.11	-	51.76%
39	Universal Corporation Limited	Kenya	31-03-2022	KES	0.66	120.28	608.74	2,363.67	1,634.63	-	1,804.48	0.89	8.11	(7.22)	-	51.00%
40	Vensun Pharmaceuticals Inc.	USA	31-03-2022	USD	75.93	4,618.82	(5,826.92)	(1,208.11)	-	-	-	(2.20)	-	(2.20)	-	100.00%
41	Vivimed Life Sciences Private Limited	India	31-03-2022	INR	1.00	282.67	202.31	1,649.32	1,164.33	-	1,240.93	(147.29)	(38.48)	(108.81)	-	100.00%

Notes

* Divested effective September 9, 2021

** Divested effective September 13, 2021

Merged with Strides Pharma Global Pte. Limited, Singapore effective June 1, 2021

^^ Liquidated into Strides Pharma Canada Inc., effective October 12, 2021

@ Wholly owned Subsidiary effective June 30, 2021.

\$ Ceased to exist effective November 30, 2021

^ Numbers provided are for the period April 1, 2021 to 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 Limited, India	Aponia Laboratories Inc, USA	Strides Global Consumer Healthcare Limited, UK	Sihuan Strides (HK), Limited
1	Latest audited Balance Sheet Date	31 st March 2021	31 st March 2021	31 st March 2021	31 st December 2020
2	Shares of Associate/ Joint Venture held by the Company on the year end				
	No.	739,288 equity shares	3,734,074 preference shares	21,833,626 shares	2,450,000 shares
	Amount of Investment in Associate/ Joint Venture	₹ 4,886.68 Million	Nil	₹ 1,223.72 Million	₹ 131.02 Million
	Extent of Holding %	47.90%	24.00%	53.64% voting rights	49.00%
3	Description of how there is significant influence	Shareholding	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
5	Networth attributable to Shareholding as per latest audited Balance Sheet	₹ 2,878.26 Million	₹ 21.87 Million	₹ 1517.02 Million	₹ 170.22 Million
6	Profit/ (Loss) for the year Considered in Consolidation	(₹ 577.74) Million	(₹ 4.16) Million	(₹ 222.11) Million	(₹ 8.74) Million
	Not considered in Consolidation	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 Ventures' as investment in this entity is completely written off.

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

	Arun Kumar	Badree Komandur	Manjula Ramamurthy
Date: May 24, 2022	Executive Chairperson & Managing Director	Executive Director – Finance & Group CFO	Company Secretary
Place: Bengaluru	DIN: 00084845	DIN: 07803242	ACS Membership no.: A30515

Annexure 2

Details of Strides Employee Stock Options pursuant to SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 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 2022.

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 accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in this regard from time to time	Please refer to Note No. 42 of the Standalone Financial Statements
C Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as prescribed from time to time	Continuing Operations ₹20.07 Discontinued Operations ₹0.00 Total Operations ₹20.07
D Details relating to ESOP	
1) Total options approved under the Scheme	30,00,000 Options
2) Date of Members' approval	April 21, 2016
3) Vesting requirements	3-year scheme
	<u>Vesting schedule:</u> 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 opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that should have been recognised if it had used the fair value of the option, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	Compensation Cost has been accounted under fair value.
G Option movement during the year	
(i) Outstanding options as at April 1, 2021	2,45,900 Options
(ii) Options granted during the year under review	67,500 Options
(iii) Options lapsed during the year under review	55,400 Options
(iv) Options vested during the year under review	2,06,600 Options
(v) Options exercised during the year under review	1,22,750 Options
(vi) Total number of shares arising as a result of exercise of options	1,22,750 Options
(vii) Money realised by exercise of options	₹3,61,87,000/-
(viii) Total number of options in force at the end of the period ending March 31, 2022	1,35,250 Options
(ix) Available for further grant	25,90,700 Options
H Weighted average exercise price	₹393.98
I Weighted average fair value of options	₹236.29
J Employee-wise details of options granted during the year under review:	
(i) Senior Managerial Personnel/ Key Managerial Personnel	Refer Note 1 below

Description	Strides ESOP Plan 2016
(ii) Any other employee who received grant in any one year of option amounts to 5% or more of options during that year	Refer Note 2 below
(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:
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Scheme	ESOP 2016										
	LOT 1	LOT 2	LOT 3	LOT 4	LOT 5	LOT 6	LOT 7	LOT 8	LOT 9	LOT 10	LOT 11
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	May 26, 2021	Aug 31, 2021
Exercise Price (in ₹)	841.25	792.45	656.10	301.00	378.40	265.20	269.70	257.65	311.00	599.00	455.80
Repriced on April 24, 2018* (in ₹)	711.85	670.56	555.18	NA	NA	NA	NA	NA	NA	NA	NA
Risk free interest rate	7.52%	6.73%	6.52%	7.78%	7.53%	6.44%	6.78%	6.66%	6.041%	6.023%	6.223%
Expected life	3 years	3 years	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%	39.06%	38.26%
Expected dividend/ yield	40%	40%	40%	40%	20%	20%	20%	20%	20%	20%	20%
The price of the underlying share in market at the time of option grant (in ₹)	1128.94	1037.51	896.72	414.85	504.50	352.75	360.10	373.00	414.40	798.60	607.70

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.

Note 1: Employee wise details of options granted during the year under review:

Name of Employee	Designation	Category	No. of options	Exercise price (in ₹)	Scheme name
1 Dr. Raviraj Pillai	Chief Scientific Officer	SMP	25,000	599.00	ESOP 2016
2 Dr. Tanaya Mishra	Chief Human Resource Officer (CHRO)	SMP	25,000	455.80	ESOP 2016

Note 2: Employees who received grant more than 5% of FY22 grant:

Name of Employee	Designation	Category	No. of options	Exercise price (in ₹)	Scheme name
1 Surendra Kumar	Executive VP & Global Head Manufacturing	Other Employee	10,000	455.80	ESOP 2016
2 Dr. Vellaian Karupiah	VP & Global Manufacturing		7,500	455.80	ESOP 2016

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 24, 2022
Place: Bengaluru

Arun Kumar
Executive Chairperson & Managing Director
DIN: 00084845

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, 2022

As at March 31, 2022, 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. ₹5,54,093 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, 2022 is as under:

Name of Director	Designation	Ratio of remuneration to the median remuneration
Dr. R Ananthanarayanan	Managing Director & CEO	173
Badree Komandur	Executive Director - Finance & Group CFO	79

b. Percentage increase in the median remuneration of employees during the financial year ended March 31, 2022 was 6.56%.

Percentage increase in remuneration of Executive Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary during the financial year ended March 31, 2022 is as under:

Name of Director/ KMP	Designation	% increase in remuneration in FY 2022
Dr. R Ananthanarayanan	Managing Director & CEO	0%
Badree Komandur	Executive Director - Finance & Group CFO	0%
Manjula Ramamurthy	Company Secretary	30.53%

c. Company had 2,345 permanent employees (including Union employees) on the rolls of Company as at March 31, 2022 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 8.63%.

Company affirms that 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 24, 2022
Place: Bengaluru

Arun Kumar
Executive Chairperson & Managing Director
DIN: 00084845

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

Annexure 4

Corporate Social Responsibility Report FY 2021-22

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

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.

Objectives of the Policy

- Serve as the principal guiding document for Strides CSR initiatives;
- Describe core themes and related impact areas as per Schedule VII;

- Outline projects and geographies for undertaking CSR initiatives;
- Provide framework for selection, implementation, management and monitoring of CSR initiatives.

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.

CSR Projects Implementation

CSR activities directly or through Strides Foundation, a Trust established by the Company as a not-for-profit organisation or such other Implementation Agencies as approved by the CSR Committee of the Company.

2. Composition of the CSR Committee:

#	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	2	2
2	Homi Rustam Khusrokhani	Member/ Independent Director	May 18, 2017	2	2
3	Arun Kumar	Member/ Executive Director & Chairperson	May 23, 2014	2	2
4	Deepak Vaidya	Member/ Non-Executive Director	May 23, 2014	2	2

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://www.strides.com/corporate-CSR.html>

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: Not Applicable

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

6 Average net profit of the company as per section 135(5): ₹1,20,14,75,031

7	(a) Two percent of average net profit of the company as per section 135(5)	₹2,40,29,500.62
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	0
	(c) Amount required to be set off for the financial year, if any	0
	(d) Total CSR obligation for the financial year (7a + 7b - 7c)	₹2,40,29,500.62

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

Total Amount spent: ₹2,07,76,215.00

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

Total Amount Spent for the FY (in ₹)	Amount Unspent (in ₹)							
	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).	Amount.						
11,67,540	None	None						
	32,54,785	None						
Sl No	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Project Duration	Amount allocated for the project (in ₹).	Amount spent in the current financial year (in ₹).	Amount transferred to Unspent CSR Implementa Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Through Implementing Agency
1	Strides' Model Government School - Vidyadhama	(ii) Promoting Education	Yes	3 years	4,50,00,000	11,67,540	32,54,785	Strides Foundation
	TOTAL				4,50,00,000	11,67,540	32,54,785	

(c) Details of CSR amount spent against Other Than Ongoing Projects for the financial year:

Total Amount Spent for the FY (in ₹)	Amount Unspent (in ₹)	
Amount.	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).	Amount.
1,96,08,675	None	None
	None	None

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 spent for the Project	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
			State	District	State	District			
HEALTH & HYGIENE									
1	Arogyadhama	(i) promoting health care including preventive health care	Yes	Karnataka	Anekal, Bengaluru	50,00,000	No	Strides Foundation	CSR00006315
2	Atmospheric Water Generator	(i) making available safe drinking water	Yes	Karnataka	Anekal, Bengaluru	26,19,400	No	Strides Foundation	CSR00006315
3	Sponsorship to Siva Sakthi Homes (Food and Medicine to the intellectually challenged)	(i) promoting health care including preventive health care	Yes	Karnataka	Bengaluru Urban	24,00,000	No	Strides Foundation	CSR00006315
4	Infrastructural support to Government PHC	(i) promoting health care including preventive health care	Yes	Puducherry	Puducherry	2,95,590	No	Strides Foundation	CSR00006315
5	Awareness programme on usage of plastics	(iv) Ensuring environment sustainability	Yes	Puducherry	Puducherry	52,000	No	Strides Foundation	CSR00006315
CSR SPEND HEALTH & HYGIENE CATEGORY - TOTAL 1,03,66,990									
EDUCATION									
6	Leadership Adoption Program (LeAPS) designed for people transformation and customised for young students of government schools	(ii) Promoting Education	Yes	Karnataka	Bengaluru Rural	12,72,206	No	Strides Foundation	CSR00006315
7	Education support - Tata Institute of Social Sciences (TISS)	(ii) Promoting Education	Yes	Puducherry	Puducherry	25,44,939	Yes	Direct by Company	NA
8	Infrastructural support to Dr. Ambedkar Government law college	(ii) Promoting Education	Yes	Puducherry	Puducherry	54,280	No	Strides Foundation	CSR00006315
CSR SPEND EDUCATION CATEGORY - TOTAL 38,71,425									
EMPLOYABILITY									
9	Employability development programme with SVRCC	(ii) Employment enhancing vocational skills	Yes	Puducherry	Puducherry	13,50,000	No	Strides Foundation	CSR00006315
10	Skill development programme for women - Self help group	(ii) Enhancing vocational skills for women	Yes	Karnataka	Bengaluru Rural	3,73,191	No	Strides Foundation	CSR00006315
CSR SPEND EMPLOYABILITY CATEGORY - TOTAL 17,23,191									
DISASTER MANAGEMENT									
11	Covid Response / Pandemic Support Oxygen on Wheels Bus to Haragadde PHC (in collaboration with KSRTC), Laptop/ Desktop & printer to Taluk office for COVID related data management	(xii) Disaster management	Yes	Karnataka	Bengaluru Rural	5,92,932	No	Strides Foundation	CSR00006315
12	Covid Response / Pandemic Support 1) COVID care centre - 30 bed in collaboration with Puducherry Govt. and Solara 2) Public audio system for Govt. PHC 3) Packed food distribution	(xii) Disaster management	Yes	Puducherry	Puducherry	30,54,137	No	Strides Foundation	CSR00006315
CSR SPEND DISASTER MANAGEMENT CATEGORY - TOTAL 36,47,069									
CSR SPEND - GRAND TOTAL 1,96,08,675									

(d) Amount spent in Administrative Overheads	-
(e) Amount spent on Impact Assessment, if applicable	-
(f) Total amount spent for the Financial Year (8b+8c+8d+8e)	2,07,76,215

(g) Excess amount for set off, if any : The Company does not intend to utilize this provision

Sl. No	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	2,40,29,500.62
(ii)	Total amount spent for the Financial Year	2,07,76,215.00
(iii)	Excess/Short amount spent for the financial year [(ii)-(i)]	-32,53,285.62
(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)]	-

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

Sl. No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
			Name of the Fund	Amount (in ₹).	Date of transfer.	
-	-	-	-	-	-	-

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

Sl. No	Project ID	Name of the Project	Financial Year in which the project commenced	Total Amount allocated for the Project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing
-	-	-	-	-	-	-	-

10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: (asset-wise details).

a) Date of Creation or acquisition of the capital asset (s):	} Not Applicable
b) Amount of CSR spent for creation or acquisition of capital assets:	
c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:	
d) Provide details of the capital asset (s) created or acquired (including complete address and location of the capital asset):	

11 Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

The Company had planned spend for the School Project during the financial year. However, due to administrative reasons, the project could not be executed as planned.

Unspent amount of ₹32,54,785/- pertaining to this FY, is part of the Ongoing Project and has been transferred to the 'Unspent CSR Account' of the Company in terms of Section 135 (6).

For and on behalf of the Board of Directors

Dr. Kausalya Santhanam
Independent Director &
Chairperson of the CSR Committee

Arun Kumar
Executive Chairperson & Managing Director
DIN: 00084845

Date: May 24, 2022
Place: Bengaluru

DIN: 06999168

Annexure 5

Form AOC 2

(Particulars of Contracts/ Arrangements with Related Parties referred in Sec 188 (1) of the Companies Act, 2013 & SEBI Listing Regulations)

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies) 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 FY22 were at arms' length.

2) **Details of material contracts or arrangements or transactions at arms' length basis for the year ended March 31, 2022, 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 UK Ltd., UK	Wholly owned Subsidiary	Sale of materials/ services and Guarantee Commission Income	Ongoing	Based on Transfer Pricing guidelines	2,393.55	Appropriate approvals have been taken for the transactions	Nil
2	Strides Pharma Global Pte. Limited, Singapore	Wholly owned Subsidiary	Sale of materials/ services, Purchase of materials/ services, Guarantee Commission Income, Sale of IPs, Purchase of Assets, Lease Rentals, Support Service Income	Ongoing	Based on Transfer Pricing guidelines	11,822.35	Appropriate approvals have been taken for the transactions	Nil

Note: 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

Arun Kumar

Executive Chairperson & Managing Director
DIN: 00084845

Badree Komandur

Executive Director – Finance & Group CFO
DIN: 07803242

Date: May 24, 2022
Place: Bengaluru

Annexure 6

Form No. MR-3

Secretarial Audit Report

For the financial year ended 31st March 2022

[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 authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2022 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 thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment; and
- 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 and Sweat Equity) Regulations, 2021;
 - 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;
 - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

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 and Listing of Debt Securities) Regulations, 2008;
- 2) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
- 3) 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; and
- 2) The Securities and Exchange Board of India (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.

We, further report that:

- 1) As at 31st March 2022, 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) On June 11, 2021, the Company received Members approval through Postal Ballot 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.
- 3) At the Annual General Meeting held on September 3, 2021, the Company received Members approval for:
 - a) Adoption of Audited Financial Statements for the Financial Year ended March 31, 2021
 - b) Declaration of Dividend for the Financial Year ended March 31, 2021
 - c) Re-appointment of Mr. Deepak Vaidya, retiring director, as a Non-Executive Director
 - d) Remuneration payable to M/s. Rao, Murthy & Associates, Cost Auditors of the Company for FY 2020-21
- 4) On January 14, 2022, the Company received Members approval through Postal Ballot for:
 - a) Continuation of Mr. Bharat Dhirajlal Shah (DIN: 00136969) as an Independent Director of the Company in terms of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b) Alteration of Articles of Association of the Company; and
 - c) Re-classification of few Promoters/ Promoter Group of the Company from 'Promoters/ Promoter Group' category to 'Public' category in terms of Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 5) 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

Place: Bengaluru
Date: 24/05/2022

UDIN: F005654D000371998

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
Bangalore – 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

Place: Bengaluru
Date: 24/05/2022

UDIN: F005654D000371998

Annexure 7

Particulars on Energy Conservation and Technology Absorption for FY22

A. Conservation of Energy

i) Steps taken and impact on conservation of energy

- a) 1,00,903 KL of wastewater treated by Waste Water Treatment Plant and reused for garden/lawn inside the plant premises across all sites in India;
 - b) 21,060 KL of water recycled from steam condensate and reused for steam generation;
 - c) 16,138 KL rainwater collected and recharged to improve the ground water table in and around the plant;
 - d) Energy efficient LED lamps are used to replace existing TFL/CFL/SVL to conserve energy, almost all lighting fixtures in all Strides locations were already replaced with LED lamps and energy saving projected in previous years is being sustained.
- c) GCV 700kg shell preparation vessel installed to meet additional soft gel capsules business volumes;
 - d) Auto duct cleaning system from Glatt-Germany installed in Glatt FBP to have recipe driven auto duct washing system for the improved compliance

• Oral Dosage Facility – Puducherry

- a) Sejong vantix P-580D Model Tablet compression machine from Korea installed to meet increased demand of tablet volume;
- b) Integrated Blister Packing line from ACG - BQS Model installed and qualified to meet additional Blister packing volume;
- c) Wurster coater from ACG Pam – 800ltrs capacity commissioned to meet new business volume

• Oral Dosage facility – Chandapura

- a) Cadpress-IV – Cadmach Tablet compression machine commissioned to meet increased business demand for Australia market with improved process controls;
- b) 100% Online Checkweigher from ACG-PAM integrated with A120 automatic capsule filling machine to meet increased HGC filling volume with improved compliance;
- c) New 160 KVA UPS with inbuilt redundancy from Schneider Electric installed to cater uninterrupted power supply to critical loads of QC and manufacturing equipment;
- d) Serialization and aggregation equipment installed and qualified complying to DGFT guidelines in all 6 Pkg. lines.

• Oral Dosage facility – Alathur

- a) 4 KL RO water system installed and qualified to meet additional process water and purified water requirements.

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

- Fette – 3200i Tablet compression machine from Germany installed to meet increased demand of Bi-layer tablets of TLD & EET volumes in KRSG;
- Sejong vantix P-580D Model Tablet compression machine from Korea installed to meet increased demand of tablet volume in Puducherry

Expenditure on R&D

	(₹ in Million)	
Particulars	March 31, 2022	March 31, 2021
Capital	168.36	84.23
Revenue	799.12	990.23
Total	967.48	1,074.46

Total Foreign Exchange Earned and Used

	(₹ in Million)
Particulars	Year ended March 31, 2022
Foreign exchange earned in terms of actual inflows	13,995.70
Foreign exchange outgo in terms of actual outflows	2,870.87

For and on behalf of the Board of Directors

Date: May 24, 2022
Place: Bengaluru

Arun Kumar
Executive Chairperson & Managing Director
DIN: 00084845

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

B) Technology absorption

i) Efforts made towards technology absorption are:

• Oral Dosage Facility – Bengaluru

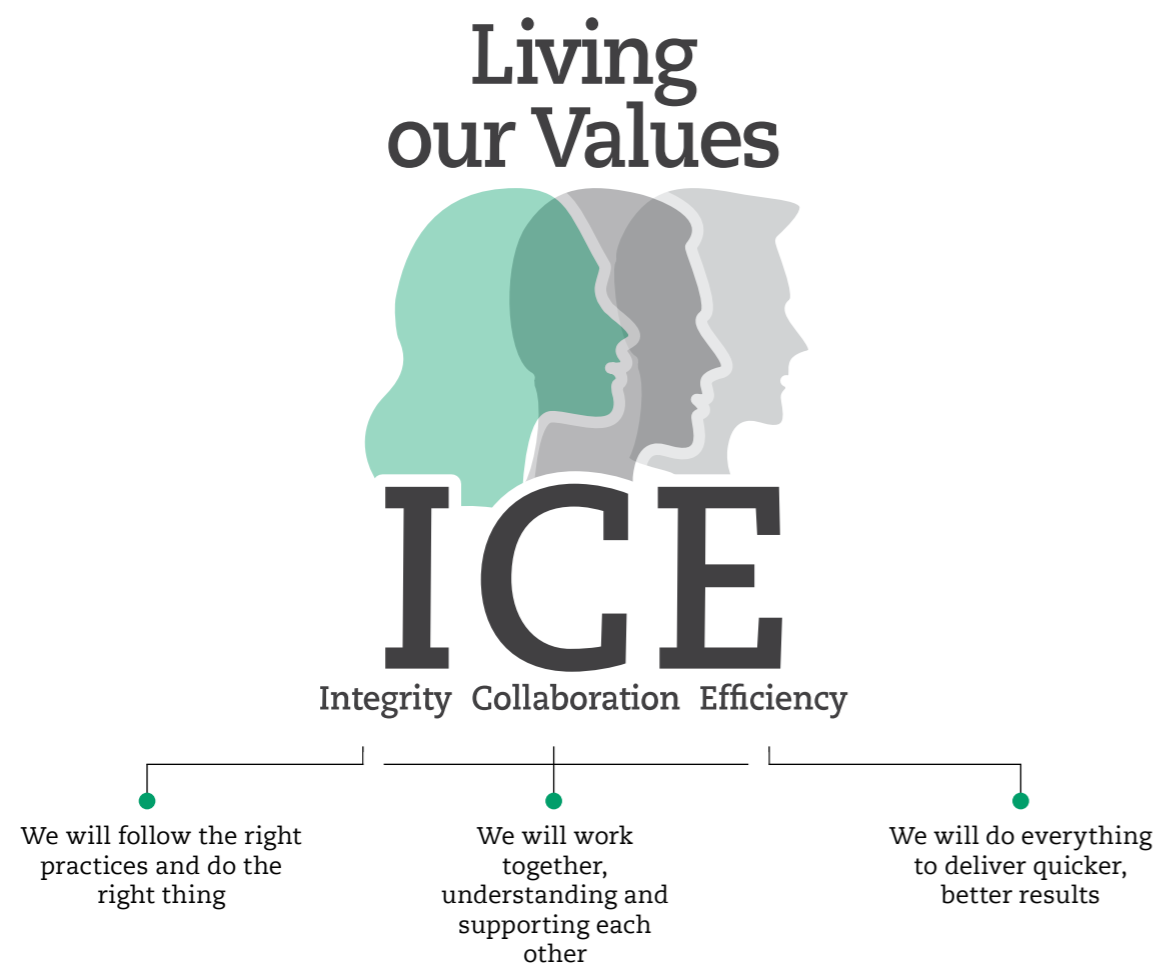
- a) Fette – 3200i Tablet compression machine from Germany installed to meet increased demand of Bi-layer tablets of TLD & EET volumes;
- b) IMA PG Cartonator commissioned for Ointment tubes/jars installed to automate secondary packaging activity of Ointment filling;

Corporate Governance Report

In compliance with provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Company submits the Corporate Governance Report for FY22.

1. Corporate Governance at Strides

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



We want to continue to be a leading Indian pharmaceutical company with a reputation for the highest quality and integrity. Integrity continues to be our guiding principle in everyday conduct across the facets. 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 being the best in what we do. Being right the first time and harnessing our resources to deliver the best results is an attribute enshrined in our third value, efficiency.

Our values are the foundation on which we build our business and 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 in health care and society.

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

2. Board of Directors

The Company is headed by an effective Board of Directors ('the 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. 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 Strides' Directors is available on Company's website at <https://www.strides.com/corporate-board.html>

2.1. Board Composition

As at the date of this Report, Strides' Board comprises of Seven Directors – Two Executive Directors and Five

Non-Executive Directors, of which Four are Independent Directors (including one Woman Independent Director).

Changes in Board Composition during the period April 1, 2021 to the date of this report is as under:

- Mr. Bharat Shah (DIN: 00136969) was re-appointed as an Independent Director of the Company effective June 15, 2021 for a second term of three years;
- Dr. R Ananthanarayanan (DIN: 02231540), who was the Managing Director & Chief Executive Officer of the Company, resigned effective March 31, 2022;
- Mr. Arun Kumar (DIN: 00084845), Founder and Non-Executive Chairperson of the Board was appointed as the Executive Chairperson & Managing Director effective April 7, 2022 for a period of three years; and;
- Mr. Homi Rustam Khusrokhan (DIN: 00005085) was re-appointed as an Independent Director of the Company effective May 18, 2022 for a second term of five years

Board and Committee Composition as at March 31, 2022 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 Khusrokhan	Independent Director	✓	✓	✓	-	✓	♣
Dr. Kausalya Santhanam	Independent Director	✓	✓	✓	-	♣	-
Dr. R Ananthanarayanan*	Managing Director and CEO	✓	-	-	✓	-	✓
Badree Komandur	Executive Director – Finance and Group CFO	✓	-	-	-	-	✓
Other Members of RMC							
Sormistha Ghosh	Group General Counsel and Chief Risk Officer (GGC & CRO)	-	-	-	-	-	✓
Christoph Funke	Chief Operations Officer (COO)	-	-	-	-	-	✓
Umesh Kale	Chief Quality Officer (CQO)	-	-	-	-	-	✓
Anjani Kumar	Chief Information Officer (CIO)	-	-	-	-	-	✓

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

*Dr. Ananth resigned from the Board and its committees effective March 31, 2022. Effective April 7, 2022, Mr. Arun Kumar assumed the role of Executive Chairperson & Managing Director of the Company.

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

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

a) Appointment of Mr. Arun Kumar as Executive Chairperson & Managing Director

The Company has sought Shareholders' approval for appointment of Mr. Arun Kumar (DIN: 00084845) as Executive Chairperson & Managing Director of the Company for a term of three years commencing from April 7, 2022, through Postal Ballot dated May 24, 2022. Results of Postal Ballot is expected to be available by July 8, 2022.

b) Retirement by Rotation and Reappointment of Mr. Badree Komandur

Proposal for re-appointment of Mr. Badree Komandur (DIN: 07803242), retiring director, who has offered himself for re-appointment, shall be placed before Shareholders of the Company at the ensuing Annual General Meeting (AGM). Your Directors recommend his re-appointment to the Board.

2.3. Induction & Familiarisation programmes for Board Members

Your Company has an orientation/ familiarisation programme for induction of its Directors, which aims to provide insights about the Company and its business operations.

Immediately on appointment, each Director undergoes a comprehensive orientation process and are provided with an induction kit which interalia includes business profile & group structure of the Company, Board and Audit Governance process and Corporate policies of the Company amongst others.

Further, during quarterly meetings, Board Members also meet with business heads and functional heads of the Company, during which comprehensive presentations are made on various aspects such as business models/ strategies, risk mitigation/ minimisation procedures, recent trends in pharma industry, and regulatory regime impacting the Company. These meetings also facilitate Board Members to provide their inputs and suggestions on the above matters directly to the business and functional heads.

Policy on familiarisation programme for non-executive directors is uploaded on the website of the Company at https://strides.com/pdf/Committees%20of%20the%20Board/2022/strides_familiarisation_programme_for_non-executive_directors.pdf.

2.4. Key Board skills/ expertise/ competence of the Board of Directors

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.

These skills/ competencies are broad-based, encompassing several areas of expertise/experience and each Director may possess varied combinations of skills/ experience within the described set of parameters as listed herein.

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. Vis., Integrity, Collaboration and Efficiency.

Mapping of Directors' skills/ expertise/ competence in line with the above criteria has been provided as part of Directors' profile, which is enclosed as 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 at https://strides.com/pdf/Committees%20of%20the%20Board/2022/strides_nrc_policy_july_2022.pdf.

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 FY22 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, payout details of which are mentioned hereunder:

#	Name of the Directors	Sitting fee (₹)	Total (₹)
1	Arun Kumar	8,00,000/-	8,00,000/-
2	Deepak Vaidya	13,00,000/-	13,00,000/-
3	S Sridhar	13,00,000/-	13,00,000/-
4	Bharat Shah	12,00,000/-	12,00,000/-
5	Homi Rustam Khusrokhhan	13,00,000/-	13,00,000/-
6	Dr. Kausalya Santhanam	13,00,000/-	13,00,000/-
	Total	72,00,000/-	72,00,000/-

Further, considering Company's performance in FY22, Board of Directors did not recommend payment of Commission to the Non-Executive Directors of the Company.

2.7.2. Details of remuneration paid to the Independent Directors on the Board of Material Subsidiaries during FY22

In line with Regulation 24 of the Listing Regulations, the company has nominated Dr. Kausalya Santhanam, one of its Independent Directors on the Board of its material subsidiaries.

Sitting fees paid by each of the entities to Dr. Kausalya Santhanam is US\$1,500 per quarter as under:

#	Name of the entity	Total Amount paid for FY22
1.	Strides Pharma Asia Pte. Ltd, Singapore	US\$6,000/-
2.	Strides Pharma Global Pte. Limited, Singapore	US\$6,000/-
3.	Strides Pharma Inc, USA	US\$6,000/-
4.	Strides Arcolab International Limited, UK	US\$6,000/-

2.7.3. Remuneration to Executive Directors

Remuneration to Executive Directors is a combination of fixed and variable components, as recommended by the Nomination and Remuneration Committee and approved by the Board Members, in line with

the remuneration approved by shareholders of the Company.

Details of remuneration paid/ payable to Executive Directors during FY22 is as under:

Particulars	Amount in ₹	
	Dr. R Ananthanarayanan	Badree Komandur
Gross Salary		
Salary (including Company's contribution towards PF)	60,000,000	38,254,799
Value of perquisites u/s 17(2) Income-tax Act, 1961	45,500	292,500
Others		
Annual Bonus/ performance linked payouts (relates to FY21 paid in FY22)	28,800,000	7,500,000
Payout linked to Phantom Units granted for FY 20-21	30,000,000	-
TOTAL	118,845,500	46,047,299

Note:

- The above payments does not include accruals related to variable pay and other performance linked payouts for FY 2021-22 considered in the accounts of the Company for FY 2021-22
- Perquisite tax paid by Badree towards stock options acquired during the year is ₹ 1,14,075/-
- Dr. Ananth resigned from the Board effective March 31, 2022

2.7.4. Service Contracts, Notice Period and Severance Fees relating to Executive Directors

During FY22, the Company had two Executive Directors, viz., Dr. R Ananthanarayanan - Managing Director & Chief Executive Officer and Mr. Badree Komandur - Executive Director - Finance & Group CFO

a) Service Contract, Notice Period and Severance fees relating to Dr. R Ananth

Dr. Ananth tendered his resignation on March 29, 2022, which was effective March 31, 2022 and was accepted by the Board of Directors of the Company.

The Company has not paid any severance fees/ notice pay to Dr. Ananth owing to his resignation other than leave encashment as per Company policy and continuation of Insurance for Dr. Ananth and his family for a period of six months from April 1, 2022.

Further, as per the terms of his appointment, joining bonus of ₹ 14.19 crores paid to Dr. Ananth shall be recovered by the Company.

b) Service Contract, Notice Period and Severance fees relating to Badree

As per the terms of Badree's appointment, notice period is three months with NIL severance fee.

2.7.5. Details of Stock Options held by Directors

As at the date of this report, none of the Directors of the Company holds any stock options of the Company.

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 the recommendations of Committees on matters where such a recommendation is mandatorily required. There have been no instances where such recommendations have not been considered.

Board has constituted the following Statutory Committees:

- 1) Audit Committee;
- 2) Nomination and Remuneration Committee (NRC Committee);
- 3) Stakeholders' Relationship Committee (SHR Committee);
- 4) Corporate Social Responsibility Committee (CSR Committee);
- 5) 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 of Listing Regulations.

Terms of reference of the Audit Committee, inter alia, includes the following:

- a) 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.
- b) Examination of the Company's financial statements and Auditor's Report on the same.
- c) Discuss and review with the Management and Auditors, the annual/ quarterly financial statements before submission to the Board for approval.
- d) Review of Management Discussion and Analysis of financial condition and results of operations.

- e) 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.
- f) Reviewing and monitoring the auditor's independence & performance and effectiveness of audit process.
- g) Review the appointment, removal and terms of remuneration of the Internal Auditor.
- h) 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.
- i) 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.
- j) Discuss with internal auditors any significant findings and follow up thereon.
- k) Review with Management, Statutory Auditors and Internal Auditors about the adequacy of internal control systems and related matters.
- l) Review of Management letters/ letters of internal control weakness issued by Statutory Auditors/ Internal Auditors.
- m) Review the appointment, removal and terms of remuneration payable to the Cost Auditor.
- n) Evaluation of internal financial controls and risk management systems.
- o) Review and approval of Related Party Transactions.
- p) Reviewing the functioning of the Whistle Blower mechanism.
- q) 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 of Listing Regulations.

Terms of reference of the NRC, inter alia, includes the following:

- a) 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.
- b) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- c) To formulate a criteria for evaluation of performance of all Independent Directors and the Board.
- d) Committee to carry out evaluation of every Director's performance.
- e) 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 vis., 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.

In addition, the Committee is also required to discharge such other roles/ functions as envisaged under the Companies Act, 2013 and Listing Regulations.

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 of Listing Regulations.

Terms of reference of the SHR Committee, inter alia, are as follows:

- a) To consider and ensure resolution of the grievances of the security holders of the Company including complaints relating to transfer/ transmission of shares, issue of new/ duplicate share certificates, non-receipt of annual reports, non-receipt of declared dividends, etc;
- b) To monitor investor grievances received by the Company from SEBI, BSE, NSE or through Scores and to ensure its timely and speedy resolution in consultation with the RTA/ Company Secretary;
- c) Review of measures taken for effective exercise of voting rights by security holders;
- d) To oversee and review the performance of Registrar & Share Transfer Agent and recommend measures for improvements in the quality of investors services;
- e) Review of various measures and initiatives taken by the Company relating to unclaimed dividends for 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 review compliance relating to all Securities including Dividend payments, transfer of unclaimed amounts or shares to Investor Education and Protection Fund;
- g) Formulation of Policies and Procedures as mandated by SEBI relating to stakeholder services from time to time for matters relating to security holders and related governance;

In addition, the Committee is also required to discharge such other roles/ functions as envisaged under the Companies Act, 2013 and Listing Regulations.

Company Secretary of the Company is the designated Compliance Officer for the purpose of compliance in relation to the Listing Regulations.

3.4. Corporate Social Responsibility (CSR) Committee

Terms of reference of the Committee

Terms of reference of the CSR Committee covers the areas as mentioned in the Companies Act, 2013.

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 and Hygiene, Education, Employability and Disaster Management.

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 RMC covers the areas as mentioned in the Listing Regulations.

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 internal and external risks faced by the Company including financial, operational, sectoral, sustainability (ESG), information, cyber security risks or any other risks determined by the Committee
- h) Ensure that appropriate methodology, processes, and systems are in place to monitor and evaluate risks associated with business of the Company.
- i) Overseeing the cyber security measures of the organisation with focus on the cyber and digital risks.
- j) Review effectiveness of the risk mitigation plans including adequacy of the system/processes for the internal controls of the identified risks.
- k) Monitor and oversee implementation of the risk management policy, including evaluation of the adequacy of risk management systems.
- l) Oversee and guide the development and implementation of ERM policies, procedures, guidelines.
- m) 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.
- n) Keep the Board of Directors informed about the nature and content of the Committee discussions and recommendations, as well as the actions to be taken.
- o) Oversee and guide the development and implementation of Business Continuity and Crisis

Management and Business Continuity procedures and guidelines.

- p) Disseminate to the enterprise the upside of risk and the opportunities it can present, rather than the traditional perspective of “risk as hazard”.
 - q) Risk Management Committee may form and delegate authority to a sub-committee, which shall assist the Committee to project manage the ERM.
- In addition, the Committee is also required to discharge such other roles/ functions as envisaged under the Companies Act, 2013 and Listing Regulations.

4. Meetings of the Board and Committees

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 the 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 Directors to plan their schedules and 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 circular resolution, depending on the matter to be transacted.

4.1. Board Meetings held during the year

During FY22, Board met 9 times on the following dates:

1. May 10, 2021
2. May 27, 2021
3. August 6, 2021
4. August 31, 2021
5. November 10, 2021
6. December 3, 2021
7. February 10, 2022
8. March 4, 2022, &
9. March 29, 2022.

Attendance of members at the Board Meeting is provided in Item No. 4.3.6 below.

4.2. Meeting of Independent Directors

Independent Directors of the Company met on May 26, 2021 to inter-alia discuss and evaluate the performance

of the Non-Independent Directors, the Board as a whole & its various Committees and performance of the Chairperson of the Board.

4.3. Committee meetings held during the year

4.3.1. Audit Committee

Audit Committee met 4 times during FY22 on the following dates:

1. May 27, 2021
2. August 6, 2021
3. November 10, 2021 &
4. February 10, 2022.

Attendance of members at the Committee Meeting is provided in Item No. 4.3.6 below.

4.3.2. Nomination and Remuneration Committee (NRC)

NRC met 6 times during FY22 on the following dates:

1. May 10, 2021
2. May 26, 2021
3. August 31, 2021
4. November 10, 2021
5. February 10, 2022 &
6. March 29, 2022.

Attendance of members at the Committee Meetings is provided in Item No. 4.3.6 below.

4.3.3. Stakeholders Relationship Committee (SRC)

SRC met 4 times during FY22 on the following dates:

1. May 26, 2021
2. August 6, 2021
3. November 10, 2021 &
4. February 10, 2022.

Attendance of members at the Committee Meeting is provided in Item No. 4.3.6 below.

4.3.4. CSR Committee

The CSR Committee met 2 times during FY22 on the following dates:

1. May 26, 2021
2. February 10, 2022

Attendance of members at the Committee Meeting is provided in Item No. 4.3.6 below.

4.3.5. Risk Management Committee (RMC)

RMC met 2 times during FY22 on the following dates:

1. April 20, 2021
2. October 13, 2021.

Attendance of members at the Committee Meetings is provided in Item No. 4.3.6 below.

4.3.6. Attendance of members of Board and Committees at the meetings held during FY22*

Board & Committees	Board Meeting	Audit Committee	NRC Committee	SHR Committee	CSR Committee	RMC
Number of Meetings held	9	4	6	4	2	2
Members' attendance						
Deepak Vaidya	9	4	6	4	2	2
S Sridhar	9	4	6	4	NA	2
Bharat Shah	8	4	6	4	NA	2
Dr. Kausalya Santhanam	9	4	6	NA	2	NA
Homi Rustam Khusrokhani	9	4	6	NA	2	2
Arun Kumar	8	NA	NA	4	2	NA
Dr. R Ananthanarayanan	7	NA	NA	4	NA	2
Badree Komandur	9	NA	NA	NA	NA	2
Other Members of RMC						
Sormistha Ghosh	NA	NA	NA	NA	NA	2
Christoph Funke	NA	NA	NA	NA	NA	2
Umesh Kale	NA	NA	NA	NA	NA	1
Anjani Kumar	NA	NA	NA	NA	NA	2

*Considering the COVID-19 pandemic, and as permitted by the Ministry of Corporate Affairs, majority of the meetings during the financial year has been conducted through Video Conference

5. Shareholders' Governance and Communication

The Company regularly communicates to its stakeholders through multiple channels of communications such as results announcements, annual report, media releases and hosting information on Company's website.

Post quarterly Board Meetings, the Company also conducts earnings call for Investors to discuss

Company's performance during the quarter. Earnings call transcript is also hosted on the Company's website.

5.1. Investors Correspondence

Shareholders may reach out to the Company or KFin Technologies Limited (formerly, KFin Technologies Private Limited), Company's Registrars and Transfer Agents, for any queries that they may have. Coordinates of the Company and RTA is provided herein below.

Registered Office	Corporate Office	Registrars & Share Transfer Agents
No. 201, 'Devavrata' Sector 17, Vashi, Navi Mumbai - 400 703 Tel. No. +91-22-2789 2924 e-mail id: investors@strides.com	Strides Pharma Science Limited Strides House, Bilekahalli, Bannerghatta Road, Bangalore - 560 076 Tel. No.: +91 80 6784 0000/ 0738 e-mail id: investors@strides.com	KFin Technologies Limited, (Formerly 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/ Contact Persons: S.V. Raju, Deputy Vice President Vijayananda Banerjee Mohan Kumar A, Manager
Investor Relations Team Badree Komandur +91 80 6784 0747 Sandeep Baid +91 80 6784 0791	Compliance Officer Manjula Ramamurthy Company Secretary Tel. No.: +91 80 6784 0734 Fax No. +91 80 6784 0700 e-mail id.: manjula.r@strides.com	Corporate Communications Team Pallavi Panchmatia : +91 80 6784 0193 pallavi.panchmatia@strides.com PR Consultancy Fortuna PR K Srinivas Reddy: +91 90005 27213 srinivas@fortunapr.com Boni Mukherjee: +91 9618682208 boni@fortunapr.com

The Company's designated email id 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 at <https://strides.com/investor-financial.html>.

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.

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)/ Digital Exchange portal 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

It contains a separate 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

The Company's annual report containing the Board's Report, Corporate Governance Report, Management Discussion and Analysis (MD&A), Business Responsibility Report, Audited Annual Accounts, Consolidated Financial Statements, Auditors' Report and other important information is circulated to shareholders and other stakeholders. Annual Reports are also emailed to the shareholders who have registered their email IDs with the Company/ depositories.

Strides' annual report is also available at <https://strides.com/investor-financial.html>.

5.3. General Meetings and Postal Ballot

5.3.1. Annual General Meeting

The Thirtieth Annual General Meeting (AGM) of the Company was held on Friday, September 03, 2021 at 12:30 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, 2021	September 03, 2021 at 12:30 hours IST	Through video conferencing / other audio - visual means Considering the COVID 19 pandemic and as permitted by the Ministry of Corporate Affairs	NA
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 rd 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
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	1) Merger of the following three Direct/ Indirect Wholly owned Subsidiaries of Strides Pharma Science with itself. <ul style="list-style-type: none"> • Strides Emerging Markets Limited • Arrow Remedies Private Limited • Fagris Medica Private Limited
Extraordinary General Meeting	April 7, 2022 at 14.30 hours IST	Through video conferencing	1) Re-appointment of Mr. Homi Rustam Khusrokhani (DIN: 00005085) as an Independent Director of the Company 2) Issuance of Equity Warrants on Preferential Basis
Extraordinary General Meeting	March 27, 2019 at 11.30 hours IST	Hotel Ritz Carlton, Residency Road, Bengaluru - 560025	1) Divestment of Australian Business

5.3.3 Postal Ballot/ E-voting

During FY22, the Company conducted two Postal Ballots to seek approval of the shareholders as under:

Date of Postal Ballot Notice	Type of Resolution	Matter
May 10, 2021	Special Resolution	-Re-appointment of Mr. Bharat Shah (DIN: 00136969) as an Independent Director of the Company for a second term of three years.
	Special Resolution	-Continuation of Mr. Bharat Shah (DIN: 00136969) as an Independent Director of the Company.
November 10, 2021	Special Resolution	-Alteration of Articles of Association of the Company.
	Ordinary Resolution	-Reclassification of Outgoing Promoters 1 to "Public" shareholder category
	Ordinary Resolution	-Reclassification of Outgoing Promoters 2 to "Public" shareholder category

Mr. Binoy Chacko, Partner of M/s. Joseph and Chacko LLP, Company Secretaries was appointed as Scrutiniser for conducting both the aforementioned Postal Ballots/ e-voting processes in a fair and transparent manner.

Consolidated results of the Postal Ballot Notice dated May 10, 2021, as approved on June 11, 2021 through requisite majority

No. of votes polled	Votes Cast in Favor (% to total votes polled)	Votes Cast against (% to total votes polled)
Re-appointment of Mr. Bharat Shah (DIN: 00136969) as an Independent Director (passed as a special resolution)		
5,77,16,604	94.84	5.16

Consolidated results of the Postal Ballot Notice dated November 10, 2021, as approved on January 14, 2022, through requisite majority

No. of votes polled	Votes Cast in Favor (% to total votes polled)	Votes Cast against (% to total votes polled)
Item 1: Continuation of Mr. Bharat Shah (DIN: 00136969) as an Independent Director (passed as a special resolution)		
5,71,33,453	99.82	0.18
Item 2: Alteration of Articles of Association of the Company (passed as a special resolution)		
6,13,46,356	99.99	0.01
Item 3: Reclassification of "Outgoing Promoters 1" to "Public" shareholder category (passed as an ordinary resolution)		
3,09,55,575	91.04	8.96
Item 4: Reclassification of "Outgoing Promoters 2" to "Public" shareholder category (passed as an ordinary resolution)		
3,09,55,576	79.48	20.52

Procedure adopted by the Company for Postal Ballots
Postal Ballots were carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the General Circular No. 14/ 2020 dated April 8, 2020, General Circular No. 17/ 2020 dated April 13, 2020, General Circular No. 22/ 2020 dated June 15, 2020, General Circular No. 33/ 2020 dated September 28, 2020, General Circular No. 39/ 2020 dated December 31, 2020 and General Circular No. 10/ 2021 dated June 23, 2021, respectively issued by the Ministry of Corporate Affairs, from time to time.

In terms of the MCA General Circulars, the Company dispatched the Postal Ballot by email to all its 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 ("KFintech Technologies Limited or KFintech") as on the cut-off date.

The Company also published notice in the newspapers declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013 and applicable Regulations.

Voting rights were reckoned on the number of shares registered as on the cut-off date. The communication of assent / dissent of the Members was obtained only through remote e-Voting system. Members desiring to exercise their votes by electronic mode were requested to vote before close of business hours on the last date of e-voting.

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with related Rules, the Company provided electronic voting (e-voting) facility to all its members. The Company engaged the services of KFintech for the purpose of providing e-voting facility to all its members.

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, <https://strides.com/media-pressrelease.html>, and also on the website of KFintech i.e., <https://evoting.kfintech.com/>, besides being communicated to BSE Limited and the National Stock Exchange of India Limited on which the shares of the Company are listed.

Resolutions, if approved by the Members by means of Postal Ballot/ e-Voting is deemed to have been passed at a General Meeting of the Members and the last date of the e-Voting shall be the date on which the Resolutions shall be deemed to have been passed, if approved by the requisite majority.

5.4 General Shareholders Information

5.4.1 Annual General Meeting (AGM) - FY22

AGM of the Company for FY22 is scheduled to be held on Friday, September 9, 2022 from 12:30 hours IST by video conference/ other audio visual means.

Time period for remote e-voting:

- Starts from 09:00 hours IST on Monday, September 5, 2022 and;
- Ends on Thursday, September 8, 2022 at 17:00 hours IST.

5.4.2 Financial Reporting Calendar

Financial reporting calendar for FY23 is as under:

Financial Reporting for Quarter/ Half Year ended/ Annual	During
June 30, 2022	July 2022
September 30, 2022	October 2022
December 31, 2022	February 2023
March 31, 2023	May 2023

In line with the Listing Regulations, the Company shall disseminate relevant intimations/ disclosures to the stock exchanges before and after the meetings.

5.5 Dividend

Considering the performance of the Company in FY22, Board of Directors have decided not to recommend dividend for the financial year.

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, vis. bonus shares, split etc., 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.

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	1,055	67,175
Shareholders who approached the Company for transfer of shares from suspense account during the year	7	474
Shareholders to whom shares were transferred from the suspense account during the year	7	474
Aggregate number of shareholders and shares which were transferred to IEPF as per the MCA Circular	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2022	1,048	66,701

The voting rights on the shares outstanding in the suspense account as on March 31, 2022 shall remain frozen till the rightful owner claims the shares.

5.7 Unpaid/ Unclaimed Dividends and Shares

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 (IEPF Rules) 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 said IEPF Rules and its amendments, the 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 and Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, ₹ 1,07,64,053/- of unpaid/ unclaimed dividends and 6,440 shares were transferred during FY22 to the IEPF including the dividend amounts declared and paid by erstwhile Shasun Pharmaceuticals Limited.

The Company has appointed Ms. Manjula Ramamurthy, Company Secretary as the Nodal Officer of the Company under the provisions of IEPF, the details of which are available on the website of the Company.

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

As per the provisions of the Companies Act, 2013 read with relevant rules, the Company is required to transfer outstanding dividend amount and related shares post completion of the prescribed period of 7 years.

Accordingly, outstanding dividend due for transfer to IEPF is as under:

Financial Year Ending	Type of Dividend	Dividend Rate	Date of declaration	Due date for transfer to IEPF
31 March 2015	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
31 March 2021	Final	25%	3 September 2021	8 November 2028
Fractional Shares Account *				
27 January 2016	NA	NA	NA	03 March 2023
Unclaimed Shares Suspense Account**				
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 merged with the Company effective November 19, 2015 is as follows:

Financial Year Ending	Type of Dividend	Dividend	Date of declaration	Due date for transfer to IEPF
31 March 2016	Interim	Rate 50%	30 July 2015	04 September 2022

Shareholders of the Company, who have not yet encashed their dividend, may write to the Company/ Registrar and Share Transfer Agents immediately.

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:

The equity shares of the Company are listed on:

BSE Limited Stock Code: 532531	National Stock Exchange of India Limited Stock Code: STAR
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.	Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.

ISIN of the Company is INE939A01011.

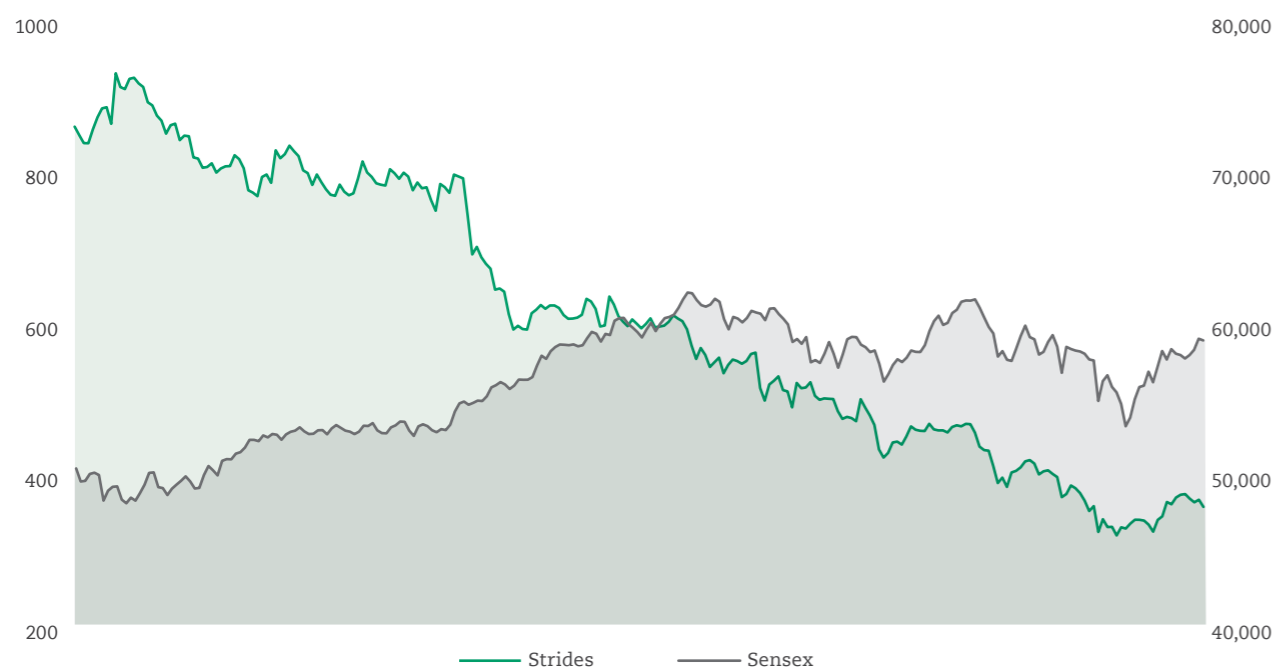
7. Market Price Data

The High and Low prices of the shares of the Company at NSE and BSE for the period under review is as under:

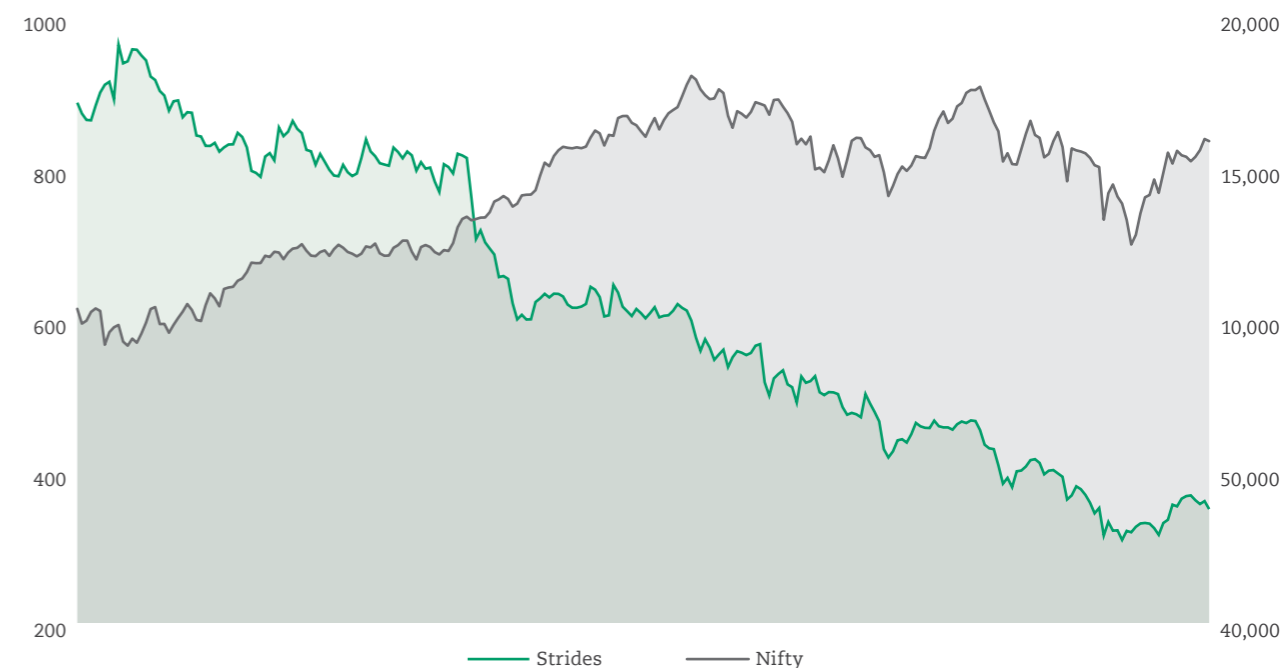
Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April, 2021	946.80	814.45	1,924,779	947.00	814.05	16,759,665
May, 2021	882.50	758.00	1,463,570	883.00	756.90	12,724,358
June, 2021	847.45	739.00	1,930,529	847.80	668.70	15,879,981
July, 2021	817.45	731.70	1,149,336	818.00	731.55	8,087,395
August, 2021	809.00	568.30	1,724,742	808.95	562.55	24,047,197
September, 2021	642.10	571.55	1,082,480	642.40	571.50	13,691,020
October, 2021	608.85	517.45	1,214,705	608.95	517.20	16,133,503
November, 2021	559.75	471.60	1,454,451	559.80	471.20	21,601,190
December, 2021	502.35	403.55	1,592,421	502.70	403.30	32,924,428
January, 2022	466.60	367.05	1,508,991	466.90	367.10	18,596,312
February, 2022	413.50	309.20	1,204,844	413.75	308.80	17,103,012
March, 2022	371.90	304.50	1,257,332	372.00	304.20	27,332,432

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

The Company has appointed KFin Technologies Limited (Formerly, KFin Technologies Private Limited), Hyderabad, as its Registrar and Share Transfer Agents (Kfintech) to expedite the process of share transfers.

In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from April 1, 2019.

Further, as an ongoing measure to enhance ease of dealing in securities by investors, SEBI vide its Circular of January 25, 2022, has mandated listed companies to issue securities in demat form only while processing service requests such as transfer, transmission, issue of duplicate share certificates, renewal/ exchange of share certificates, consolidation of folios etc.

In terms of the Circular,

1. Claimant/ Securities Holder shall submit their request in Form ISR-4 (hosted on website of Company and RTA) along with requisite documents and details;
2. RTA shall verify the request and documents submitted and thereafter issue a Letter of Confirmation (LoC) in lieu of physical securities certificates to the Claimant/ Securities Holder within 30 days of receipt of such request;

3. LoC shall be valid for a period of 120 days from the date of its issuance;
4. Claimant/ Securities Holder to make a request to the Depository Participant for dematerializing the said securities;
5. In case the Claimant/ Securities Holder fails to submit the demat request within the prescribed period, such shares shall be credited to the Suspense Escrow Demat Account of the Company.

All queries and requests relating to share transfers/ transmission may be addressed to Kfintech at the following correspondence:

**KFin Technologies Limited,
(Formerly 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/>

Contact Persons:

Mr. S.V. Raju, Deputy Vice President
Mr. Mohan Kumar A, Manager

10. Distribution of Shareholding as at March 31, 2022

Slab of Shareholding	No. of Shareholders	% to Total Number of Shareholders	No. of Shares	Amount	% of Amount
1 – 5,000	1,26,417	94.91	89,40,305	8,94,03,050.00	9.96
5,001 – 10,000	3,767	2.83	28,25,548	2,82,55,480.00	3.15
10,001-20,000	1,616	1.21	23,72,539	2,37,25,390.00	2.64
20,001-30,000	512	0.38	12,86,539	1,28,65,390.00	1.43
30,001-40,000	208	0.16	7,40,521	74,05,210.00	0.82
40,001-50,000	133	0.10	6,19,578	61,95,780.00	0.69
50,001-1,00,000	221	0.17	15,73,629	1,57,36,290.00	1.75
1,00,001 and above	316	0.24	7,14,31,555	71,43,15,550.00	79.55
TOTAL	1,33,190	100.00	8,97,90,214	89,79,02,140.00	100.00

11. Shareholding Pattern as at March 31, 2022

#	Category	No. of shares held	% to total shareholding
1.	Promoters	2,74,72,894	30.60
2.	Mutual Funds	1,11,21,259	12.39
3.	Banks, Indian Financial Institutions, Insurance Companies	9,025	0.01
4.	Foreign Institutional Investors/ Foreign Portfolio Investors	1,76,51,285	19.65
5.	Bodies Corporate & NBFC	47,38,316	5.28
6.	Non-Resident Indians/ Foreign Nationals/ Overseas Corporate Bodies	20,38,923	2.27
7.	Qualified Institutional Buyers	44,26,948	4.93
8.	Others (including Indian Public, Clearing Members, Trust, etc.)	2,23,31,564	24.87
	TOTAL	8,97,90,214	100.00

Outstanding warrants, conversion date and impact on equity

The Company has allotted 2 Million Equity Warrants on April 26, 2022, on a preferential basis to M/s. Karuna Business Solutions LLP (Karuna), a promoter group company, at a price of ₹ 442/- per Equity Warrant, pursuant to the approval accorded by the Shareholders of the Company at the Extraordinary General Meeting held on April 7, 2022.

Karuna has a right to apply for and get allotted, within a period of 18 months from the date of allotment of Warrants (until October 26, 2023), in one or more tranches, One Equity Share of face value of ₹ 10/- each for each Warrant.

The said allotment is in compliance with the provisions of the Companies Act, 2013, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable regulations.

Promoter's shareholding shall move from 30.60% as at March 31, 2022 to 32.11%, assuming full conversion of warrants into equity.

12. Dematerialisation of Shares & Liquidity

The Company's shares are traded in dematerialised form. The Company has established connectivity with both the Depositories vis., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through the Registrar, KFin Technologies Limited (formerly, KFin Technologies Private Limited)

As at March 31, 2022, 99.86% of the paid-up share capital of the Company representing 8,96,64,223 shares has been dematerialised and balance 0.14% representing 1,25,991 shares of the Company is in physical form.

Shareholders who continue to hold shares in physical form are advised to dematerialise their shares at the earliest. Further, in line with the various 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, 2021	No. of cases received during the year	Disposed during the year	Pending as at March 31, 2022
1	Non-receipt of dividend warrants	1	109	110	0
2	Non-receipt of annual reports	0	2	2	0
3	Non-receipt of securities	0	17	17	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	0	0	0
8	SEBI Complaints (SCORES)	0	2	2	0
9	NSE/ BSE Complaints	0	1	1	0
10	Other Complaints (MCA/ROC)	0	3	3	0
	Total	1	136	137	0

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://strides.com/pdf/Committees%20of%20the%20Board/2022/strides_policy_for_governance_of_subsidiaries.pdf.

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 the 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 FY22, inter alia, included audit of compliance with the Companies Act, 2013 (Act), and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by SEBI amongst others.

The Secretarial Audit Report forms as an Annexure to Boards' Report and does not contain any qualification, reservation or adverse remark.

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, Bangalore – 562 106, India
2	Strides Pharma Science Limited PIMS Road, Periyakalpet, Pudukkottai – 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 1 Ram Ridge Road, Chestnut Ridge, NY 10977, USA
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

14.7. Fee payable by the Company 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

for FY22, is ₹ 33.955 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, 2022.

Independent Directors have also confirmed completion of the registration formalities as prescribed by Ministry of Corporate Affairs to include their name in the data bank of Independent Directors with Indian Institute of Corporate Affairs and the validity of such registration.

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. 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

- 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.
- 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.
- 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 https://strides.com/pdf/Committees%20of%20the%20Board/2022/policy_for_governance_of_rpt.pdf.
All the transactions with related parties are disclosed in Note no. 44 to the standalone financial statements in the Annual Report.

- 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.
- 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.
- 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.
- 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 FY22	2
b. number of complaints disposed off during FY22	2
c. number of complaints pending as on end of FY22	0

16. 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 https://strides.com/pdf/Committees%20of%20the%20Board/2022/strides'_code_of_conduct_july_2022.pdf.

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

Arun Kumar

Executive Chairperson & Managing Director

DIN: 00084845

Badree Komandur

Executive Director – Finance & Group CFO

DIN: 07803242

Annexure CG 1 - Details of Directors as at May 24, 2022

Sl No	Name of the Director and Director Identification Number (DIN)	Designation	Date of initial appointment	Effective Date of reappointment in current designation	Total Number of Directorships	Number of Chairmanship in Committees of the Board*	Number of Membership in Committees of the Board*	Shareholding in the Company as on May 24, 2022	Directorship and designation in other listed companies	Area of Expertise
1	Arun Kumar	Executive Chairperson & Managing Director	June 28, 1990	April 7, 2022	3	-	1	15,40,997 (~1.72%)	a. Solara Active Pharma Sciences Limited - Non Executive Director	
2	Dr. Kausalya Santhanam	Independent Director	December 11, 2019	December 11, 2019	3	0	3	1,203 (~0.001%)	a. Sequent Scientific Limited - Independent Director b. Solara Active Pharma Sciences Limited - Independent Director	
3	Deepak Vaidya	Non-Executive Director	January 16, 1998	NA	8	3	8	Nil	a. Indraprastha Medical Corporation Limited - Independent Director b. Spandana Sphoorthy Financial Limited - Non Executive Independent Director	
4	S Sridhar	Independent Director	July 27, 2012	July 30, 2019	13	5	7	48,750 (~0.054%)	a. Jubilant Pharmova Limited - Independent Director b. Shriram Transport Finance Company Limited - Independent Director c. Go Fashion (India) Limited - Independent Director	
5	Bharat Shah	Independent Director	July 25, 2014	June 15, 2021	5	1	5	76,424 (~0.085%)	a. 3M India Limited - Non-Executive Independent Director & Chairman b. Exide Industries Limited - Non-Executive Independent Director & Chairman c. Spandana Sphoorthy Financial Limited - Non-Executive Independent Director	
6	Homi Rustam Khurokhan	Independent Director	May 18, 2017	May 18, 2022	3	2	3	-	a. Neuland Laboratories Limited - Independent Director	
7	Badree Komandur	Executive Director - Finance and Group CFO	May 18, 2017	May 18, 2020	1	0	0	25,000 (~0.028%)	None	

*This does not include position in foreign companies and position as an advisory board member but includes position in private companies and companies under Section 8 of the Companies Act, 2013. None of our Directors hold directorship in more than seven listed companies.

*In line with Regulation 26 of Listing Regulations Profile of Directors is available at <https://www.strides.com/corporate-board.html>

None of the Directors are related to each other

None of the Directors are holding any convertible securities of the Company



Management & Leadership Experience



Functional & Managerial Experience



Pharma Business



Corporate Governance



Personal Values

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 ended on 31st March 2022 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: F005654D000411576

Place: Bengaluru
Date: 27/05/22

Annexure CG 3**Declaration of Compliance with the Code of Conduct
for the Financial Year ended March 31, 2022**

I hereby confirm that the Company has received affirmation as to compliance with Company's Code of Conduct for the Financial Year ended March 31, 2022 from the Board Members and Senior Management Personnel.

Place: Bengaluru, India
Date: May 24, 2022

Arun Kumar
Executive Chairperson &
Managing Director
DIN: 00084845

Independent Auditors' Certificate on Compliance with the Corporate Governance Requirements Under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members of Strides Pharma Science Limited

- This certificate is issued in accordance with the terms of our engagement letter dated 30 July 2018.
- We have examined the compliance of conditions of Corporate Governance by Strides Pharma Science Limited ("the Company"), for the year ended 31 March 2022, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations").

Management's Responsibility

- The compliance of conditions of Corporate Governance as stipulated under the Listing Regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' 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 2022.
- We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the

Chartered Accountants of India (the "ICAI"), 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
- 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

- The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W - 100022

Sampad Guha Thakurta
Partner
Membership No: 060573
UDIN: 22060573AOVXXQ8448

Place: Bengaluru
Date: 12 August 2022

Business Responsibility Report

Section A: General Information About the Company

#	Description	Remarks
1.	Corporate Identity Number (CIN) 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	2021-2022
7.	Sector that the Company is engaged in (industrial activity code-wise)	Pharmaceutical
8.	List three key products/services that the Company manufacture/provide (as in balance sheet)	<ul style="list-style-type: none"> Tenofovir/Lamivudine/Dolutegravir tablets PEG powder 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: Bangalore, Karnataka Facilities: <ul style="list-style-type: none"> Suragajakkanahalli, Bangalore, Karnataka Chandapura, Bangalore, Karnataka PIMS Road, Periyakalpet, Puducherry Alathur, Kancheepura R&D Center at Bangalore, Karnataka
10.	Markets served by the Company – Local/State/National/International	The Company has a strong commercial footprint across 100 countries.

Section B: Financial Details of the Company

#	Description	
1.	Paid-Up Capital – FY 2021-22	₹ 89.79 Crores
2.	Total Turnover	₹ 19,790 Million (on a standalone basis)
3.	Total profit after taxes	₹ 1,801.87 Million (on a standalone basis)
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 – ₹ 24.02 Mio
5.	List of activities in which expenditure in 4 above has been incurred	Areas in which the Company has spent under CSR: <ul style="list-style-type: none"> Health & Hygiene, Education, Employability; Disaster Management A detailed report on the CSR activities of the Company forms part of the Annual Report of FY22.

Section C: Other Details

#	Description	
1.	Does the Company have any Subsidiary company/companies	The Company has 43 subsidiaries, JVs and Associates in India and overseas, a list of which forms part of the Board's Report as Annexure 1.
2.	Do the subsidiary company/companies participate in the BR initiatives of the parent company?	The Company's Business Responsibility initiatives were not extended to its subsidiaries, JVs and associates during the reporting period.
	If yes, then indicate the number of such subsidiary company/companies	In due course, the Company intends to extend its sustainability policies and initiatives beyond its boundaries and spread awareness among its several stakeholders.
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%]	

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	00084845
2	Name	Arun Kumar
3	Designation	Executive Chairperson & Managing Director

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 id	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 – www.strides.com								
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								

#	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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 as well.

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 Bangalore, 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 - Bangalore (two sites), Puducherry and Chennai, Singapore, Italy – Milan, USA – New York 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 design, develop and manufacturing products that are safe for human consumption, socially beneficial, economically and environmentally sustainable throughout their life cycle. We have implemented the Quality by Design principles from development to commercialisation to ensure we provide the high quality and affordable medication to our patients. We have invested in Oracle Agile Product Lifecycle Management for all our R&D operations to ensure the good documentation practices throughout the product life cycle. 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 the product.

To ensure that patients have access to affordable medicines and to create dependable value in a constantly evolving global pharmaceuticals landscape, we incorporate sustainable and rightful practices throughout the product development process.

Our key products wherein social and environmental-friendly designs have been incorporated are:

- Favipiravir Tablets 200mg for the treatment of Mild to Moderate COVID-19 Infection;
- Nirmatrelvir Tablets 150 mg & Ritonavir Tablets 100 mg for Mild to Moderate COVID-19 Infection;
- Molunopiravir Capsules 200 mg and 400 mg for the treatment of Mild to Moderate COVID-19 Infection;
- Emtricitabine/Tenofovir Fixed-Dose Combination anti-retroviral used for the treatment of HIV/AIDS;
- 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 daily basis. We have undertaken various measures towards identifying our environmental risks and develop mitigation plans to address them. All our manufacturing locations in India are complying to ISO 14001: 2015 standards and two key manufacturing sites are ISO 14001 certified by NQA.

Production Details – FY22

#	Type of Products Manufactured	No. of facilities	Quantity Produced
1	Oral Dosage (Tablets, HG Capsules, Soft gel capsules, Liquids & Powders) and Topicals	4	5,550 Million

Resource Consumption Details – FY22

S. No.	Type of Resource Utilised	Units	Consumption
1	Water	KL	1,92,967
2	Electricity	KWH	45.80 Million
3	Fuel		
	a) HSD	KL	644
	b) FO	KL	1,016
	c) Briquette	Tonne	144

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 endeavour 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, WHO, TGA, UK MHRA and ANVISA 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 FY22, we treated 1,00,903 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 and is paramount for our operations. For our sustainable business, Safety is a prerequisite. Health and Safety is the license to operate our business and is a key performance parameter over and above the business metrics. 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. As part of health and wellness, organisation is promoting many initiatives including allowing flexi-time for exercise, medical insurance, flexible work time/work from homes (for certain roles which may be performed remotely), maternal leave, paternal leave and employee wellness programme – 'We Care'. The Company follows a wellness calendar as a part of the employee welfare

programme. 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.

On safety, our primary motto is everyone working for Strides to go back home safely without injuries. The guiding principle of safety is outlined in our EHS policy applicable, displayed and practiced across all facilities. A culture of everyone is responsible for his/her safety is inculcated. A transparent reporting system is in place to report all incidents however minor they are, and corrective actions taken to prevent recurrence.

The Company's health and safety approach include strong input and output measures viz.;

1. Safe permit to work system
2. Reporting of near misses and hazard conditions
3. PPE policy ensuring Use of personal protective equipment
4. Comprehensive hazard and risk assessment processes
5. Emergency preparedness.

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 honourable living for families of deceased employees due to COVID-19

Vaccination Reimbursement: We are providing base and booster vaccination for employees free of charge and we encourage our employees to be vaccinated and continue to exercise adequate precaution.

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.

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.

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.



Seek App
This is for bringing in greater awareness and engagement around quality. Through SEEK the employees are introduced to the concept and issues around quality. It provides an interactive platform to express views and opinions.

Town Hall Meetings
This is a two-way communication channel where the common concerns and issues amongst the employees are discussed. The employees can raise their concerns, give suggestions and express their grievances.

Amber App
Amber was onboarded as an AI tool in to understand employee sentiment and reach out to employees at various tenure milestones. It also gives data of disengaged employees.

At Strides, we also give due credit to the employee's union that pursue 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, 2022

#	Type of Resource utilised	Number of Employees
1	Permanent Employees	2,647
2	Permanent Women Employees	372
3	Permanent employees with disabilities	0
4	Temporary/ Contractual employees	1,559

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 to short burst learning content and delivery style to match the need. With employees returning to work, the L&D team came back with a dual offering of in-person classroom trainings as well as virtual trainings for those who were still at virtual workplaces.

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 programmes 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 programme 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 Behavioural 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 Values & Behaviours – Strides designed its core organisational behaviours and L&D has been instrumental in driving the ICE Values and Behaviours immersion programme 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 ICE and the behaviours themselves and initiate demonstration of these core Values and Behaviours in every work situation. The focus on embedding the Values & Behaviours encompassed big-format engagement programmes for employees as well as trainings. L&D used the SEEK tool to run campaigns, quizzes, competitions to build awareness under the aegis of B.I.G Challenge. 1,800 employees participated enthusiastically, and the programme rolled upto a grand finale with an awards distribution ceremony.

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 programme 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 programme brought a remarkable exposure of various elements and confidence in each participant.

After a successful implementation journey, the programme was 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, Strides UK and UCL through the PACE programmes and at Singapore site with the launch of Supervisory Development Program.

The Plant Managers Academy

The Plant Managers Academy (PMA) is a platform to build core functional and leadership capabilities in Plant talent to enable them to deliver sustained strong performance and grow as future leaders in Strides. The journeys under this academy are immersive, action-oriented and provide a toolkit which can be deployed by the plant managers to address the challenges and aspirations set for their respective plants.

The full journey is designed to run for 5 quarters, with learning sessions that are simulated and planned every 3 months. The PMA is delivered through a mix of in-person, online sessions, on-job projects and communities of practice. The interventions focus on modules around 'Managing Self', 'Managing Teams' and 'Impacting Business'.

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) 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.

PACE (Performance & Capability Enhancement) – PACE is our business skills suite comprising of key skills such as Time Management, Planning & Prioritisation, Giving and Receiving Feedback, Productivity Hacks, Interpersonal skills, MS Office tools, Professional email writing skills, setting stretch goals, Six Thinking Hats amongst others. PACE is designed as short, intense programmes of 2.5 hours and is centred around practice of skills through role plays, case studies, discussions. These offerings are run as part of the monthly training calendar and are open to all employees to self-nominate and attend. PACE is run as in-person and virtual classroom sessions.

In view of the pandemic that struck all of us, Learning & Development launched two programmes on Managing Stress and the Power of Mindfulness to all employees to support them to cope up with stress and anxiety.

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

At Strides, we place a lot of emphasis on growth through continuous learning to help employees transition from individual contributors to team leaders, and on to senior leadership positions within the organisation.

We look for leaders who lead with ideas, have the requisite knowledge, are passionate about what they do and excel in execution. All our talent management programmes are directed towards building this capability, while also preparing employees to manage organisational growth

To ensure building a resilient and efficient organisation in the dynamic markets, post COVID, we put significant rigor in identifying critical roles and ensuring robust talent management for those roles.

Our talent management strategy is derived based on many factors mainly:

- Current talent pool
- Department-wise and role-wise proof of concepts
- Future business plans and value-based analysis of roles
- Recommendations from leaders on developing their teams

The organisation is committed to develop its talent through multiple programmes including Continuous Learning Program, Pathway Program and Future Leader Program

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 Recognition programme

AWARD CATALOGUE		
<p>V&B Champion (Individual Award) For Displaying ICE Values, Strides Behaviours and Quality Culture</p>	<p>Shooting Star (Individual Award) For Creating Business Impact</p>	<p>Dream Team (Team Award) Team that delivers the business impact by getting the WHAT & HOW right!</p>

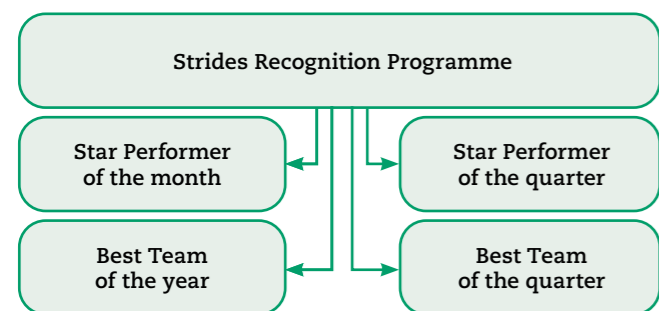
We periodically renew our HR strategies to enhance productivity and better engage with a diverse workforce across geographies. We equip our employees with opportunities to learn and apply the business concepts in day-to-day practice, thus enriching the quality of delivery.

c) Self - managed teams

Our facility for emerging markets in Chandapura, Bangalore, has implemented the Self-Managed Teams (SMT) philosophy to build a high-performing culture, thereby creating empowered teams.

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 Learning & Development – FY22

S. No.	Category	Number of Employees	Percentage of Employees
1	Employees provided with skill upgradation training	1,536	59%
2	Employees received performance or career development reviews	1,426	63.83%

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 FY22, we did not receive any complaint relating to child labour, forced labour, involuntary labour, or discriminatory employment. We received two complaints relating to sexual harassment, which were appropriately disposed off within the prescribed timeline.

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 continuously strive for improving our policies to support those that are disadvantaged.

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 forms part of the Annual Report of FY22.

Principle 5:

Businesses should respect and promote human rights

As a responsible organisation, the Company respects human rights at the workplace and the endeavour is to adopt the best practices, which will 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 the 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 for sexual harassment under the POSH Act. ICC posters with details of site wise committee members has been displayed at all locations.

Any employee may contact their local HR single point of contact, write to whistleblower@strides.com and/or log in to the 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 Ethics and Compliance Committee. The Committee ensures the confidentiality and protects the complainant from being persecuted.

While the Code of Conduct covers employees of the organisation, we have worked on a new 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 educate 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 have taken efforts to reduce CO2 emissions for the last few years and net carbon neutralisation is being monitored and improved year after year.

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
16,138 KL rainwater collected and recharged to improve the ground water table in and around the plant.	Energy efficient LED lamps are used to replace existing TFL/CFL/SVL to conserve energy, almost all lighting fixtures in all Strides locations were already replaced with LED lamps and energy saving projected in previous years is being sustained.	12,000 Tonne of CO2 emissions reduction achieved by utilisation of 17 Mn kWh from imported solar power generators renewable energy source.
21,060 KL of water recycled from steam condensate and reused for steam generation.		
1,00,903 KL of wastewater treated by WWTP and reused for garden/ lawn inside the plant premises across all sites in India.		3,01,654 kWh renewable energy (Solar) 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/Treatment 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:

- Pharmaceuticals Export Promotion Council of India
- Bombay Chambers of Commerce
- Bangalore Chamber of Industry and Commerce
- Export Promotion Council for EOUs & SEZs
- Indian Drug Manufacturers' Association
- Karnataka Drugs & Pharmaceutical Manufacturers Association
- 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 programmes 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 programmes for the underprivileged, desiring and deserving in and around 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 advantageous programmes 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.

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**.

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, superior quality and economically affordable products to our customers. 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 – FY22

S. No.	Category	Number of Complaints Received	Number of Complaints Closed	Number of complaints pending	% of Complaints/ Cases Pending
1	Customer Complaints	328	290	38	11.58
2	Customer Cases (legally filed)	00	00	00	00

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

Date: May 24, 2022

Place: Bengaluru

Arun Kumar

Executive Chairperson & Managing Director

Christoph Funke

Chief Operations Officer

Independent Auditors' Report

To the Members of

Strides Pharma Science Limited

Report on the Audit of the 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 2022, 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 2022, of its consolidated loss 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 reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 9(i) to the consolidated financial statements which states that the ability of Stelis Biopharma Limited ("the Associate") to continue as a going concern is dependent on the mitigation factors detailed in the said note which could have a consequential impact on the carrying amount of investment of ₹ 4,609.50 million in the Associate as at 31 March 2022. Further, the auditors of the Associate have, without modifying their opinion, reported a Material Uncertainty Related to Going Concern vide their report dated 24 May 2022 on the financial information of the Associate for the year ended 31 March 2022.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate financial statements of components audited by them, 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.

Key Audit Matters (continued)

Going concern

[Refer Significant Accounting Policies and note 2 to the consolidated financial statements]

The key audit matter	How the matter was addressed in our audit
<p>As at 31 March 2022, the Group has recorded a loss amounting to ₹ 4,742.50 million and has negative operating cash flows amounting to ₹ 2,578.15 million for the year ended March 31, 2022.</p> <p>Note 2 to the consolidated financial statements explain that Management has concluded that the going concern basis is appropriate in preparing the consolidated financial statements of the Group. The Group evaluated its ability to continue as a going concern based upon an assessment of the Group's cash position, assessment of the exposure with respect to the financial guarantees provided by the Parent Company to an associate company, future cash flow forecasts, its debt repayment obligations and other commitments and its availability of financing facilities, after considering breaches of its existing debt covenants and the related subsequent temporary relaxations obtained from the lenders for compliance with such debt covenants. This required the exercise of significant judgement, particularly in forecasting the Group's future revenues, profitability and cash flows.</p> <p>Based on their assessment, the Group concluded that there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern.</p> <p>Considering the significance of the area to the overall financial statements this was significant for our audit.</p>	<p>Our audit procedures to assess the going concern assumption and whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the Group's ability to continue as a going concern included the following audit procedures to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> • Gaining an understanding and assessing the design, implementation and operating effectiveness of Group's key internal controls over preparation of cash flow forecasts to assess its liquidity; • Compared the forecasted statement of profit and loss and cash flows with the Group's business plan approved by the board of directors; • Evaluating the key assumptions in the cash flow forecasts with reference to historical information, current performance, future plans, and market and other external available information; • Performing sensitivity analysis on the forecasted statement of profit and loss and cash flows by considering plausible changes to the key assumptions adopted by the Company; • Performing a retrospective review to assess the reasonableness of Group's past projections by comparing historical forecasts to actual results; • Assessing the availability of banking and other financing facilities by inspecting underlying documentation; • Discussion with the parent and component Management with respect to the going concern assessment of the associate and confirming the same with the Associate's report on the financial information received from the auditor of the Associate; • Evaluating management's judgment of invocation of guarantees provided to the lenders of the Associate; • Assessing the impact of any existing covenants and the related waivers and other restrictive terms therein which may impact Group's ability to raise further debts; • Assessing the adequacy of the disclosures related to application of the going concern assumption.

Key Audit Matters (continued)

Taxation

[Refer Significant Accounting Policies and notes 12, 13, 27 and 36 to the consolidated financial statements]

The key audit matter	How the matter was addressed in our audit
<p>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:</p> <ul style="list-style-type: none"> - availability of tax incentives / exemptions. - deferred taxes on business combinations - cross border transfer pricing arrangements etc. <p>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 range of possible outcomes for some of these tax matters. These judgments could change over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents.</p> <p>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.</p> <p>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.</p> <p>Given the complexity of tax accounting for multiple jurisdictions including judgment 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.</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"> • 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 judgment 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; • We used subject matter experts, to assess the accounting treatment done for key jurisdictions for current and deferred taxes. • We also considered external legal opinions and consultations made by the Group for key uncertain tax positions during current and past period. • 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	How the matter was addressed in our audit
<p>The Group has goodwill and intangible assets of ₹ 4,859.07 million and ₹ 6,249.82 million respectively as at 31 March 2022. 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.</p> <p>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.</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"> • 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; <p>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.</p>

Key Audit Matters (continued)

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 2022.</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"> • We tested the design and operating effectiveness of the relevant key controls in respect of 'gross-to-net' sales adjustments. • 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. • 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. • Tested the historical data with respect to claims processed for sales return, chargebacks, rebates, Medicaid and other allowances. • Performed analytical procedures on 'gross-to-net' sales adjustments recognised during the year to identify any unusual variances / relationships, if any. • For each of the estimated accruals, tested the mathematical accuracy of the computation and verified the underlying data used for completeness and accuracy.

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 ₹ 5,273.53 million as at 31 March 2022.</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>We draw attention to Note 9(i) to the consolidated financial statements which states that the ability of Stelis Biopharma Limited ('the Associate') to continue as a going concern is dependent on the mitigation factors detailed in the said note which could have a consequential impact on the carrying amount of investment of ₹ 4,609.50 million in the Associate as at 31 March 2022. Further, the auditors of the Associate have, without modifying their opinion, reported a Material Uncertainty Related to Going Concern vide their report dated 24 May 2022 on the financial information of the Associate for the year ended 31 March 2022.</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"> • Tested the design and operating effectiveness of the relevant key controls around Group's assessment of impairment of investment in associates. • Performed a retrospective analysis to assess the reasonableness of Group's projections by comparing historical forecast to actual results. • Tested reasonability of projections used by the Group relating to the sales growth, operating costs, cashflow forecasts. • 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. • Discuss with component auditors of associates on their testing of impairment of non-current assets in the associate and conclusions thereof. • Tested recent financing transactions in these companies with third parties to determine the fair value of certain investments. • 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.

Key Audit Matters (continued)

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 intangible assets under development and assets relating to CDMO unit) as at March 31, 2022. The carrying value of the CGU of Stelis amounts to ₹ 11,039 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 by the component auditor 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"> • Obtaining adequate financing to fulfil Stelis' development and commercial activities, • the risks associated with development and obtaining regulatory approvals of Stelis products, • generation of revenues in due course from the product portfolio and contract manufacturing, • attainment of profitable operations, • discount rate • probabilities applied to the revenues which also factors Stelis management's best estimate of possible delay in product development cycle and regulatory approvals. 	<p>The principal audit procedures performed by the Component auditor, among other procedures included:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Stelis Management's process for impairment assessment of the carrying value of assets of the CGU; • Evaluated the design and implementation of the relevant controls and carried out testing of the Stelis management's control around the impairment assessment; • 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; • Evaluated the key assumptions considered in Stelis management's estimates of future cash flows; • Involved valuation specialists to evaluate the discount rate used in the calculations; • 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; • Performed sensitivity analysis on the key assumptions within the forecast cash flows and focused the 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 and terminal growth rate; • 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; • Tested the arithmetical accuracy of the computations; • 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.

Key Audit Matters (continued)

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 vaccine facility – Unit 3) as at March 31, 2022. The carrying value of the CGU of Stelis amounts to ₹ 6,170 million as of that date.</p> <p>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 by the component auditor 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"> • generation of revenues in due course from the vaccine plant and contract manufacturing, • plans to convert the existing vaccine plant for CDMO purpose, • ability to enforce the existing contract with customer and liquidate inventories as on balance sheet date prior to its shelf life, • probabilities applied to the revenues which also factors Stelis management's best estimate of possible delay in regulatory approvals. • attainment of profitable operations, • discount rate 	<p>The principal audit procedures performed by the Component auditor, among other procedures included:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Stelis Management's process for impairment assessment of the carrying value of assets of the CGU; • Evaluated the design and implementation of the relevant controls and carried out testing of the Stelis management's control around the impairment assessment; • 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; • Evaluated the key assumptions considered in Stelis management's estimates of future cash flows; • Involved valuation specialists to evaluate the discount rate and terminal growth rate used in the calculations; • Performed sensitivity analysis on the key assumptions within the forecast cash flows and focused the 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 and terminal growth rate; • 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; • Tested the arithmetical accuracy of the computations; • 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.

Information Other than the Consolidated Financial Statements and Auditor's 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 and Corporate Governance 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, 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 judgments 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 Board of 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 are 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting

from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the 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 the 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 paragraph (a) of the section titled "Other Matters" in this audit report.

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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial information of 5 subsidiaries, whose financial information reflect total assets (before consolidation adjustments) of ₹ 40,719 million as at 31 March 2022, total revenues (before consolidation adjustments) of ₹ 18,734 million and net cash inflows (before consolidation adjustments) amounting to ₹ 513 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 (and other comprehensive loss) of ₹ 1,011 million for the year ended 31 March 2022, in respect of 3 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 reports of the other auditors.

(b) The financial information of 34 subsidiaries, whose financial information reflect total assets (before consolidation adjustments) of ₹ 32,291 million as at 31 March 2022, total revenues (before consolidation adjustments) of ₹ 3,601 million and net cash inflows (before consolidation adjustments) amounting to ₹ 87 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 (and other comprehensive loss) of ₹ 97 million for the year ended 31 March 2022, as considered in the consolidated financial statements, in respect of 7 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 other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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.
- 2 (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:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of 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.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company, its subsidiary companies and associate companies incorporated in India as on 31 March 2022 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 2022 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 Holding Company, its subsidiary companies and associate companies incorporated in India 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 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:
 - a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group, its associates and joint venture. Refer Note 42 to the consolidated financial statements.
 - b) 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 2022. Refer Note 56 to the consolidated financial statements.
 - c) 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 2022. 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 during the year ended 31 March 2022.
 - d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company, its subsidiary companies or associate companies incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company, its subsidiary companies or associate companies incorporated in India; or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company, its subsidiary companies or associate companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its subsidiary companies or associate companies incorporated in India shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties; or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
 - (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

- e) The dividend declared or paid during the year by the Holding Company is in compliance with Section 123 of the Act. The subsidiary companies, associate companies and joint venture companies incorporated in India have neither declared nor paid any dividend during the year.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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) of the Act which are required to be commented upon by us.

We refer to Note 11(ii) of the consolidated financial statements which more fully explains the decision of the Board of Directors to recover the excess remuneration paid to the Company's erstwhile Managing Director and Chief Executive Officer and corresponding recoverable of ₹ 141.9 million recorded as at 31 March 2022. In our opinion and according to the information and explanations given to us, having regard to the aforesaid note 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

for B S R & Co. LLP

Chartered Accountants

Firm's registration number: 101248W/W-100022

Sampad Guha Thakurta

Partner

Membership number: 060573

UDIN: 22060573AJMSKC7057

Bengaluru

Date: 24 May 2022

Annexure A to the Independent Auditor's Report on Standalone Financial Statements

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Holding Company on the consolidated financial statements for the year ended 31 March 2022, we report the following:

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavorable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO)

Sr. no.	Name	CIN	Holding Company / Subsidiary / Associate / Joint venture	Clause number of the CARO report which is qualified or adverse
1	Vivimed Life Science Private Limited	U24304MH2017PTC348859	Subsidiary	(xvii)
2	Stelis Biopharma Limited	U74140KA2007PLC043095	Associate	(iii)(c), (xvii), (xix)
3	Strides Pharma Science Limited	L24230MH1990PLC057062	Holding Company	(i)(c), (vii)(b)

for B S R & Co. LLP

Chartered Accountants

Firm's registration number: 101248W/W-100022

Sampad Guha Thakurta

Partner

Membership number: 060573

UDIN: 22060573AJMSKC7057

Bengaluru

Date: 24 May 2022

Annexure B to the Independent Auditor's report on the consolidated financial statements of Strides Pharma Science Limited ("the Company") for the year ended 31 March 2022

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 2022, 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 2022, 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 number: 101248W/W-100022

Sampad Guha Thakurta

Partner

Membership number: 060573

UDIN: 22060573AJMSKC7057

Bengaluru

Date: 24 May 2022

Consolidated Balance Sheet

as at March 31, 2022

		₹ In Million	
	Note No.	31-Mar-22	31-Mar-21
A ASSETS			
I Non-current assets			
(a) Property, plant and equipment	4 (i)	12,815.29	10,688.67
(b) Capital work-in-progress	4 (ii)	562.29	2,276.02
(c) Right-of-use assets	5	1,758.86	2,029.78
(d) Investment property	6	131.73	682.35
(e) Goodwill	7	4,859.07	4,805.40
(f) Other intangible assets	8 (i)	3,901.33	3,987.44
(g) Intangible assets under development	8 (ii)	2,348.49	2,197.67
(h) Investment in associates and joint ventures	9 (i)	5,355.55	5,838.94
(i) Financial assets			
(i) Investments	9(ii)	47.83	141.02
(ii) Loans receivable	10(i)	30.00	103.84
(iii) Other financial assets	11(i)	450.80	5,692.90
(j) Deferred tax assets (net)	12	2,151.49	1,982.21
(k) Income tax assets (net)	13	1,622.76	1,302.14
(l) Other non-current assets	14(i)	104.82	249.48
Total non-current assets		36,140.31	41,977.86
II Current assets			
(a) Inventories	15	11,737.96	12,007.03
(b) Financial assets			
(i) Investments	9(iii)	-	994.12
(ii) Trade receivables	16	12,073.01	11,105.87
(iii) Cash and cash equivalents	17	1,707.30	1,258.34
(iv) Other balances with banks	18	166.22	539.31
(v) Loans receivable	10(ii)	48.24	40.54
(vi) Other financial assets	11(ii)	5,915.28	199.15
(c) Other current assets	14(ii)	1,970.30	2,027.98
Total current assets		33,618.31	28,172.34
TOTAL ASSETS		69,758.62	70,150.20
B EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	19	897.90	896.81
(b) Other equity	20	22,694.38	26,869.80
Equity attributable to equity holders of the Company		23,592.28	27,766.61
Non-controlling interests	21	240.88	373.41
Total Equity		23,833.16	28,140.02
II Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22(i)	8,356.23	8,825.78
(ii) Lease liabilities	5	1,864.67	2,102.67
(iii) Other financial liabilities	23(i)	571.78	753.65
(b) Provisions	24(i)	642.80	674.08
(c) Deferred tax liabilities (net)	12	357.19	463.48
(d) Non-current tax liabilities (net)	27 (i)	-	1,790.91
(e) Other non-current liabilities	25(i)	16.04	16.13
Total non-current liabilities		11,808.71	14,626.70
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22(ii)	19,563.37	12,208.10
(ii) Lease liabilities	5	465.98	345.70
(iii) Trade payables	26		
(a) total outstanding dues of micro enterprises and small enterprises		326.75	378.35
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		10,388.49	10,963.65
(iv) Other financial liabilities	23(ii)	1,152.31	1,250.78
(b) Provisions	24(ii)	1,226.23	1,241.91
(c) Current tax liabilities (net)	27 (ii)	238.11	351.18
(d) Other current liabilities	25(ii)	755.51	643.81
Total current liabilities		34,116.75	27,383.48
Total liabilities		45,925.46	42,010.18
TOTAL EQUITY AND LIABILITIES		69,758.62	70,150.20

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

Sampad Guha Thakurta
Partner
Membership Number 060573

Bengaluru, May 24, 2022

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

Arun Kumar
Executive Chairperson and Managing Director
DIN: 00084845

Badree Komandur
Executive Director - Finance & Group CFO
DIN: 07803242

Manjula R.
Company Secretary
Membership Number A30515

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

		₹ In Million	
	Note No.	31-Mar-22	31-Mar-21
A. Continuing operations:			
I Revenue from operations	28	30,702.50	33,158.70
II Other income	29	1,319.88	514.27
III Total Income (I+II)		32,022.38	33,672.97
IV Expenses			
(a) Cost of materials consumed		10,909.32	13,904.23
(b) Purchases of stock-in-trade		3,161.06	2,960.76
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	952.79	(3,537.06)
(d) Employee benefits expense	31	6,469.09	5,501.47
(e) Finance costs	32	1,767.44	1,500.65
(f) Depreciation and amortisation expense	33	2,330.14	2,062.87
(g) Other expenses	34	9,313.46	8,061.17
(h) Foreign exchange (gain) / loss - net		97.84	(80.17)
Total Expenses (IV)		35,001.14	30,373.92
V Profit / (loss) before exceptional items and tax (III - IV)		(2,978.76)	3,299.05
VI Exceptional items gain/ (loss) (net)	35	(2,438.25)	433.53
VII Profit / (loss) before tax (V + VI)		(5,417.01)	3,732.58
VIII Share of loss of joint ventures and associates	54	(1,108.12)	(978.19)
IX Profit / (loss) before tax (VII + VIII)		(6,525.13)	2,754.39
X Tax expense:	36		
(a) Current tax		(1,504.40)	214.48
(b) Deferred tax		(278.23)	102.03
Total tax expense (X)		(1,782.63)	316.51
XI Profit / (loss) after tax from continuing operations (IX - X)		(4,742.50)	2,437.88
B. Discontinued operations	40		
(i) Loss from discontinued operations		-	-
(ii) Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net)		-	139.41
(iii) Tax expense of discontinued operations		-	-
XII Profit / (loss) after tax from discontinued operations		-	139.41
XIII Profit / (loss) for the year (XI + XII)		(4,742.50)	2,577.29
XIV Other comprehensive income	37		
A			
(i) Items that will not be reclassified to statement of profit and loss		(86.64)	104.46
(ii) Income tax relating to items that will not be reclassified to statement of profit and loss		18.96	(14.08)
B			
(i) Items that may be reclassified to statement of profit and loss		560.86	212.09
(ii) Income tax relating to items that may be reclassified to statement of profit and loss		(3.19)	(136.92)
Total other comprehensive income for the year, net of tax (XIV)		489.99	165.55
XV Total comprehensive income for the year (XIII + XIV)		(4,252.51)	2,742.84
Profit / (loss) for the period attributable to:			
- Owners of the Company		(4,602.11)	2,684.42
- Non-controlling interests		(140.39)	(107.13)
		(4,742.50)	2,577.29
Other comprehensive income for the year			
- Owners of the Company		477.04	159.97
- Non-controlling interests		12.95	5.58
		489.99	165.55
Total comprehensive income for the year			
- Owners of the Company		(4,125.07)	2,844.39
- Non-controlling interests		(127.44)	(101.55)
		(4,252.51)	2,742.84
Earnings per equity share (of ₹ 10/- each) (for continuing operations):	48		
(1) Basic		(51.28)	28.40
(2) Diluted		(51.28)	28.37
Earnings per equity share (of ₹ 10/- each) (for discontinued operations):	48		
(1) Basic		-	1.56
(2) Diluted		-	1.55
Earnings per equity share (of ₹ 10/- each) (for total operations):	48		
(1) Basic		(51.28)	29.96
(2) Diluted		(51.28)	29.92

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

Sampad Guha Thakurta
Partner
Membership Number 060573

Bengaluru, May 24, 2022

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

Arun Kumar
Executive Chairperson and Managing Director
DIN: 00084845

Badree Komandur
Executive Director - Finance & Group CFO
DIN: 07803242

Manjula R.
Company Secretary
Membership Number A30515

Consolidated Statement of Changes in Equity

for the years ended march 31, 2022

Particulars	Notes	Amount
Balance as at April 1, 2020		895.65
Changes in equity share capital due to prior period errors		-
Restated balance as at April 1, 2020		895.65
Changes in equity share capital during the year		
Shares issued pursuant to exercise of stock options	45	1.16
Balance as at March 31, 2021		896.81
Changes in equity share capital due to prior period errors		-
Restated balance as at March 31, 2021		896.81
Changes in equity share capital during the year		
Shares issued pursuant to exercise of stock options	45	1.09
Balance as at March 31, 2022		897.90

B) Other equity

Particulars	Notes	Reserves and Surplus										Equity attributable to owners of the Company	Non-controlling interests	Total			
		Share application money	Share allotment	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)
Balance as at April 1, 2020		-	-	425.46	17,008.37	601.61	57.24	(3,840.13)	4,010.28	2,344.23	(703.08)	(563.31)	5,183.76	(145.91)	24,378.52	672.38	25,050.90
Profit for the year		-	-	-	-	-	-	-	2,684.42	-	-	-	-	2,684.42	(107.13)	2,577.29	
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	-	-	104.31	365.92	(296.33)	(13.93)	159.97	5.58	165.55	
Total comprehensive income		-	-	-	-	-	-	-	2,684.42	104.31	365.92	(296.33)	(13.93)	2,844.39	(101.55)	2,742.84	
Pursuant to business combinations	39	-	-	-	-	-	-	(223.01)	-	-	-	-	-	(223.01)	(189.21)	(412.22)	
Pursuant to scheme of merger	50.2	-	-	(210.62)	210.62	-	-	-	-	-	-	-	-	-	-	-	
Dividend (including tax on dividend)		-	-	-	-	-	-	-	(179.15)	-	-	-	-	(179.15)	-	(179.15)	
Issue of shares on exercise of stock options	45	-	-	-	53.68	-	(19.85)	-	-	-	-	-	-	33.83	-	33.83	
Transferred to general reserve on stock options lapse		-	-	-	-	-	(5.41)	5.41	-	-	-	-	-	-	-	-	
Employee stock compensation expenses	45	-	-	-	-	-	15.22	-	-	-	-	-	-	15.22	-	15.22	

Consolidated Statement of Changes in Equity

for the years ended march 31, 2022

Particulars	Notes	Reserves and Surplus										Equity attributable to owners of the Company	Non-controlling interests	Total			
		Share application money	Share allotment	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)
Balance as at April 1, 2020		-	-	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
Profit for the year		-	-	-	-	-	-	-	(4,602.11)	-	-	-	-	(4,602.11)	(140.39)	(4,742.50)	
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	-	-	(73.37)	139.79	404.93	5.69	477.04	12.95	489.99	
Total comprehensive income		-	-	-	-	-	-	-	(4,602.11)	(73.37)	139.79	404.93	5.69	(4,125.07)	(127.44)	(4,252.51)	
Pursuant to business combinations	39	-	-	123.60	-	-	-	-	-	-	-	-	-	123.60	-	123.60	
Pursuant to acquisition of non-controlling interest in subsidiary	39	-	-	2.56	-	-	-	-	-	-	-	-	-	2.56	(2.56)	-	
Dividend (including tax on dividend)		-	-	-	-	-	-	-	(224.31)	-	-	-	-	(224.31)	-	(224.31)	
Receipt of share application money	4.06	-	-	-	49.21	-	(18.18)	-	-	-	-	-	-	4.06	-	4.06	
Issue of shares on exercise of stock options	45	-	-	-	-	-	(21.27)	21.27	-	-	-	-	-	31.03	-	31.03	
Transferred to general reserve on stock options lapse		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Employee stock compensation expenses	45	-	-	-	-	-	12.71	-	-	-	-	-	-	12.71	-	12.71	
Pursuant to exchange movement		-	-	-	-	-	-	-	-	-	-	-	-	-	(2.53)	(2.53)	
Balance as at March 31, 2022		4.06	341.00	17,321.88	601.61	20.46	(4,063.14)	4,036.96	23.08	(672.14)	(57.60)	5,292.36	(154.15)	22,694.38	240.88	22,935.26	

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

Sampad Guha Thakurta

Partner

Membership Number: 060573

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

Mr. Arun Kumar

Executive Chairperson and Managing Director

DIN : 00084845

Badree Komandur

Executive Director- Finance & Group CFO

DIN : 07803242

Bengaluru, May 24, 2022

Manjula R.
Company Secretary
Membership Number: A30515

Consolidated Statement of Cash Flow

for the year ended March 31, 2022

	₹ In Million	
	31-Mar-22	31-Mar-21
Cash flow from operating activities		
Profit / (loss) before tax from:		
Continuing operations	(6,525.13)	2,754.39
Discontinued operations	-	139.41
	(6,525.13)	2,893.80
Adjustments for:		
- Depreciation and amortisation expense	2,330.14	2,062.87
- Share of loss of joint ventures and associates	1,108.12	978.19
- Gain on sale of property, plant and equipment, other intangible assets and investment property (net)	(112.47)	(23.38)
- Share based compensation expense	(7.09)	68.02
- Unwinding/ cancellation of gross obligations and contingent consideration	(11.27)	86.40
- Interest expense on borrowings and others	1,767.44	1,500.65
- Interest and dividend income	(1,076.15)	(364.94)
- Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net) (Refer note 40)	-	(139.41)
- Rental income from investment property	(60.33)	(76.99)
- Liability / provision no longer required written back	-	(7.45)
- Bad debts written off / provision for doubtful trade and other receivables	1.78	94.61
- Write down of inventories and other assets	46.76	-
- Impairment and cost associated with disposal of facility (Refer note 35)	1,727.16	-
- Impairment of investment in an associate	-	81.99
- Sales returns, write down of inventory and other expenses on account of product withdrawal	552.34	750.50
- Gain on sale of investment in subsidiaries/ associates	(29.36)	-
- Gain on lease modifications	(18.73)	-
- Gain on dilution of investment in an associate	(529.26)	(323.00)
- Loss on sale of business unit	154.37	-
- Fair valuation gain on acquisition of controlling shares in an associate (Refer note 39)	-	(25.30)
- Net unrealised exchange gain	(20.71)	(1,029.61)
Operating profit / (loss) before working capital changes	(702.39)	6,526.95
Changes in working capital		
Increase in trade and other receivables	(587.95)	(1,247.75)
Decrease / (Increase) in inventories	281.86	(4,140.49)
(Decrease) / Increase in trade and other payables	(1,592.95)	2,107.70
Net change in working capital	(1,899.04)	(3,280.54)
Cash (utilised in) / generated from operations	(2,601.43)	3,246.41
Income taxes refund received	23.28	1,567.96
Net cash flow (utilised in) / generated from operating activities	A (2,578.15)	4,814.37
Cash flow from investing activities		
Capital expenditure for property, plant and equipment and intangible assets, including capital advance	(1,433.83)	(2,974.84)
Proceeds from sale of property, plant and equipment, investment property and intangible assets	753.74	39.58
Short-term investments in funds	(540.61)	(150.00)
Purchase of long-term investments including investment in associates	(51.06)	(2,456.33)
Consideration paid towards acquisition of non-controlling interest in subsidiary and business combinations, net of cash acquired (Refer note 39)	(2,195.13)	(78.86)
Proceeds from sale of investment in mutual funds	1,545.05	324.74

Consolidated Statement of Cash Flow

for the year ended March 31, 2022

	₹ In Million	
	31-Mar-22	31-Mar-21
Proceeds from sale of long-term investments including discontinued operations, net of expenses and cash (Refer note 40)	127.30	97.69
Rent deposit given	(11.21)	(0.10)
Proceeds from / (investments in) fixed deposits with maturity of more than 3 months, net	488.54	(167.13)
Rental income from investment property	62.52	88.35
Interest and dividends received (net of tax on dividend)	67.36	68.69
Net cash flow utilised in investing activities	B (1,187.33)	(5,208.21)
Cash flow from financing activities		
Proceeds from issue of equity shares	36.18	34.99
Proceeds from long-term borrowings	4,506.57	5,674.58
Repayment of long-term borrowings	(2,681.26)	(2,100.94)
Net increase / (decrease) in working capital and short-term borrowings	4,564.32	(1,824.26)
Lease payments	(450.39)	(370.98)
Dividends paid (net of tax on dividend)	(224.31)	(179.15)
Proceeds from issue of shares to minority shareholders	-	1.67
Interest paid on borrowings (Refer note (ii) below)	(1,537.95)	(1,393.87)
Net cash generated from / (utilised in) financing activities	C 4,213.16	(157.96)
Net increase / (decrease) in cash and cash equivalents	(A+B+C) 447.68	(551.80)
Cash and cash equivalents at the beginning of the year	1,258.34	1,822.34
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	1.28	(12.20)
Cash and cash equivalents at the end of the year *	1,707.30	1,258.34
* Comprises:		
Cash on hand	2.71	2.96
Balance with banks:		
- In current accounts	1,573.41	1,056.70
- In deposit accounts	14.61	5.27
- Funds-in-transit	116.57	193.41
Total	1,707.30	1,258.34

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 ₹ 8.15 Million (Previous year ₹ 40.11 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

Sampad Guha Thakurta
Partner
Membership Number 060573

Bengaluru, May 24, 2022

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

Arun Kumar
Executive Chairperson and Managing Director
DIN: 00084845

Manjula R.
Company Secretary
Membership Number A30515

Badree Komandur
Executive Director - Finance & Group CFO
DIN: 07803242

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

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

The Group has incurred loss of ₹ 4,742.50 million and has negative operating cash flows amounting to ₹ 2,578.16 million for the year ended 31 March 2022 on account of continuing pricing pressure in some of its key geographies consequent to effects of COVID. Management of the Group have obtained relaxations for compliance with financial covenants for year ended March 31, 2022, as these have not been met as of the date of the issue of financial statements. Further, as of 31 March 2022, the Company has provided guarantees aggregating to ₹ 9,419.83 million in relation to the borrowings of one of its associates ('the Associate'), out of which ₹ 6,016 million is outstanding as on 31 March 2022, for which there is a material uncertainty to continue as a going concern. The Associate has requested for temporary relaxations for compliance with these financial covenants from the lenders as these have not been met as of the date of these consolidated financial statements. Also refer note 9 of these consolidated financial statements.

Further, to mitigate the situation, the Group has raised long- term and other financing facilities amounting to ₹ 500 million post year ended 31 March 2022 and has issued equity warrants to the entity which is part of the Promoter group that is expected to provide additional equity of ₹ 884 million by 31 March 2023. The Group has cash and cash equivalents of ₹ 1,707.30 million as at 31 March 2022 and also undrawn borrowing facilities available from certain lenders. The Group expects to improve operating profits from the newly acquired business in the US and from cost reductions consequent to capacity optimization at some of its manufacturing locations from April 2022 and by monitoring of freight and other expenses.

Accordingly, based on the fact that the Group had generated positive operating cash flows in the previous year and expects to generate positive operating cash flows in future periods, temporary relaxations from lenders for compliance with financial covenants related to borrowings, its ability to raise new financing facilities, full utilisation of existing facilities, expected

equity infusion in the year ending 31 March 2023 and the steps undertaken by management as noted above, management believes that the Group will be able to continue generating sufficient cash in the foreseeable future to meet its obligations as they fall due.

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 24, 2022.

2.2 Functional and presentation currency

These consolidated financial statements are presented in Indian rupees (₹), which is also the functional currency of the parent Company. All amounts have been rounded-off to the nearest million, unless otherwise indicated. In respect of subsidiaries and associates whose operations are self-contained and integrated, the functional currency has been determined to be the currency of the primary economic environment in which the entity operates.

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

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forming part of the consolidated financial statements for the year ended March 31, 2022

- 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.

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

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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 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.

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	₹ In Million	
	Proportion of ownership interest and voting power held by the Group	
	31-Mar-22	31-Mar-21
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, 2022 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,

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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 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

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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 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

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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 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

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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 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

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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 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 purchase the goods from the Group and thereafter sell 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 and when there is no uncertainty in receiving the same. These incentives include estimated realisable values/

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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 1 April 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;
- 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.

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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 capitalized 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 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.

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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.

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

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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 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

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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.

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:

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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.

Investment properties are derecognised on disposal or when the investment properties are permanently withdrawn from use and no future economic benefits are expected from its disposal. The gains or losses from the disposal of investment properties are determined as difference between the carrying amount of the investment properties and the net disposal proceeds and are recognised in the statement of profit or loss in the period in which it is disposed.

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. 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.

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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 amortized 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 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.

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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.

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. and Sonnet Biotherapeutics Holdings Inc. which is not held for trading.

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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 recognized 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 recognized 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 recognized 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 recognized 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.

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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 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 Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such

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sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)
The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements

Ind AS 116 – Annual Improvements to Ind AS (2021)
The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

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Note No. 04 (i). Property, plant and equipment

Particulars	Gross block					Accumulated depreciation					Net block			
	As at April 1, 2021	Effects of foreign currency exchange differences and regroupings	Additions during the year	Disposals during the year	Acquisition through business combinations referred in note 39	Derecognised on disposal of business as referred in note 40	As at March 31, 2022	As at April 1, 2021	Effects of foreign currency exchange differences and regroupings	Depreciation for the year	Eliminated on disposals of assets	Eliminated on disposal of a business referred in note 40	As at March 31, 2022	As at March 31, 2022
Freehold Land	991.54	(0.28)	-	-	341.69	-	1,332.95	-	-	-	-	-	1,332.95	991.54
Leasehold Land	989.67	1.87	-	-	-	-	991.54	-	-	-	-	-	991.54	989.67
	49.86	-	-	-	-	-	49.86	-	-	-	-	-	49.86	49.86
	49.86	-	-	-	-	-	49.86	-	-	-	-	-	49.86	49.86
Buildings	2,856.64	9.63	44.50	0.19	1,301.44	6.70	4,205.32	570.29	(2.10)	165.73	0.02	6.62	3,478.04	2,286.35
	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
Plant and equipments	9,858.73	105.10	1,017.53	83.17	499.30	-	11,397.49	3,153.92	11.52	960.75	51.14	-	7,322.44	6,704.81
	8,981.38	(146.94)	1,105.51	81.22	-	-	9,858.73	2,386.54	(30.17)	843.32	45.77	-	6,704.81	6,594.84
Furniture and fixtures	314.04	3.17	25.48	0.23	-	7.82	334.64	151.20	0.80	38.85	0.09	7.25	183.51	162.84
	290.15	(2.28)	25.89	0.11	0.39	-	314.04	115.10	0.19	36.02	0.11	-	151.20	175.05
Vehicles	72.94	(0.01)	11.60	20.14	-	-	64.39	37.36	(0.17)	8.26	12.99	-	32.46	35.58
	79.89	(0.95)	7.98	13.98	-	-	72.94	36.90	(0.69)	10.47	9.32	-	37.36	42.99
Office equipments	1,018.55	5.90	242.33	18.16	-	3.40	1,245.22	560.86	3.76	250.53	15.47	3.40	796.28	457.69
	840.90	(2.87)	182.19	4.16	2.49	-	1,018.55	414.11	(1.62)	152.35	3.98	-	560.86	426.79
Total	15,162.30	123.51	1,341.44	121.89	2,142.43	17.92	18,629.87	4,473.63	13.81	1,424.12	79.71	17.27	5,814.58	12,815.29
Previous year	14,100.02	(194.69)	1,373.57	119.48	2.88	-	15,162.30	3,412.81	(36.26)	1,176.26	79.18	-	4,473.63	10,688.67

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) Refer note 22 for details of property, plant and equipment pledged as security towards borrowings.

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Note No. 04 (ii). Capital-Work-in Progress (CWIP) ageing schedule

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
₹ In Million					
As on March 31, 2022					
Projects in progress	464.76	48.15	41.11	8.27	562.29
Projects temporarily suspended	-	-	-	-	-
As on March 31, 2021					
Projects in progress	1,624.53	559.95	42.24	49.30	2,276.02
Projects temporarily suspended	-	-	-	-	-

There are no capital work-in-process whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2022 and March 31, 2021.

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Note No. 05 Leases (i) Right-of-use assets

Particulars	Gross block		Accumulated amortisation				Net block	
	As at April 1, 2021	As at March 31, 2022	As at April 1, 2021	Effects of foreign currency exchange differences and regroupings	Amortisation for the year	De-recognition	As at March 31, 2022	As at April 1, 2021
Buildings	2,481.86	2,318.80	452.08	10.73	293.15	(196.02)	1,758.86	2,029.78
Office equipments	2,669.92	2,481.86	202.63	(5.83)	271.98	(16.70)	2,029.78	2,467.29
	87.99	87.99	87.99	-	-	-	-	-
	87.99	87.99	83.65	-	4.34	-	-	4.34
Total	2,569.85	2,406.79	540.07	10.73	293.15	(196.02)	1,758.86	2,029.78
Previous year	2,757.91	2,569.85	286.28	(5.83)	276.32	(16.70)	540.07	2,029.78

(ii) Lease Liabilities

Particulars	31-Mar-22	31-Mar-21
Current	465.98	345.70
Non- Current	1,864.67	2,102.67
	2,330.65	2,448.37

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(iii) Amounts Recognised in the statement of Profit or Loss

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Amortisation Charge of Right-Of-Use asset		
Buildings	293.15	271.98
Office Equipment	-	4.34
Total Depreciation	293.15	276.32
Less: Capitalised	(10.03)	(48.10)
Net Depreciation charged to statement of profit and loss	283.12	228.22
Interest Expense (Included in Finance Cost)	176.62	188.85
Less: Interest capitalized	(8.15)	(40.11)
Net Interest charged to statement of profit and loss	168.47	148.74
Other Income on account of lease modification	18.73	-
Other expenses relating to leases, not included in lease payments	80.89	71.96

(iv) Total cash outflow

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Buildings	450.39	370.98
Office equipments	-	-
Total	450.39	370.98

Note No. 06 Investment property

Particulars	₹ In Million									
	Gross block				Accumulated depreciation				Net block	
	As at April 1, 2021	Additions during the year	Disposals during the year	As at March 31, 2022	As at April 1, 2021	Depreciation for the year	Eliminated on disposals of assets	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Land	147.27	-	115.96	31.31	-	-	-	-	31.31	147.27
	<i>147.27</i>	-	-	<i>147.27</i>	-	-	-	-	<i>147.27</i>	<i>147.27</i>
Building	820.68	-	710.23	110.45	285.60	25.59	301.16	10.03	100.42	535.08
	<i>820.68</i>	-	-	<i>820.68</i>	<i>239.93</i>	<i>45.67</i>	<i>285.60</i>	<i>535.08</i>	<i>580.75</i>	<i>580.75</i>
Total	967.95	-	826.19	141.76	285.60	25.59	301.16	10.03	131.73	682.35
Previous year	967.95	-	-	967.95	239.93	45.67	-	285.60	682.35	

Notes:

(i) Figures in italics relates to previous year.

(ii) Details of assets given under an operating lease:

Particulars	₹ In Million			
	Gross block		Net block	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Freehold Land	31.31	147.27	31.31	147.27
Buildings	102.73	812.96	96.84	531.08
Total	134.04	960.23	128.15	678.35

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(iii) Details of assets held by Trust and for capital appreciation and not given under lease:

Particulars	₹ In Million		₹ In Million	
	Gross block		Net block	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Buildings	7.72	7.72	3.58	4.00
Total	7.72	7.72	3.58	4.00

(iv) Fair value of investment properties

The fair value of the Company's investment properties as at March 31, 2022 has been arrived at ₹ 949 Million (previous year: ₹ 1,579 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) During the current year the company has sold an investments property with a net book value of ₹ 525.03 million for a total consideration of ₹ 630 million.

(vii) Amounts recognised in profit or loss for investment properties

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Rental income	60.33	76.99
Gain on sale of investment property	104.97	-
Depreciation expense	(25.59)	(45.67)
Profit from investment properties	139.71	31.32

Note No. 07 Goodwill

Particulars	₹ In Million				
	As at April 1, 2021	Effects of foreign currency exchange differences	Acquisition through business combinations	Derecognised on disposal of business	As at March 31, 2022
Goodwill	4,805.40	80.48	-	(26.81)	4,859.07
	<i>4,285.58</i>	<i>(33.00)</i>	<i>552.82</i>	<i>-</i>	<i>4,805.40</i>

Notes:

(i) Figures in italics relates to previous year.

(ii) Allocation of goodwill to cash generating units (CGU):

Goodwill has been allocated for impairment testing purposes to the following cash-generating units:

- United States of America (USA)
- Other regulated markets
- Emerging markets
- Institutional business

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The carrying amount of goodwill are allocated to cash-generating units as follows:

	₹ In Million	
Cash generating units	31-Mar-22	31-Mar-21
United States of America (USA)	3,143.22	3,070.41
Other regulated markets	1,355.45	1,387.79
Emerging markets	360.40	347.20
Total	4,859.07	4,805.40

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:

	₹ In Million			
Cash generating units	US	Other regulated markets	Emerging Markets	Institutional business
Discount Rate	10.68% - 16.33%	9.95% - 15.81%	11.92%	16.51%
Growth Rate (used for determining Terminal Value)	2% - 5%	2% - 5%	3%	5%

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.

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Particulars	Gross block						Accumulated depreciation						Net block		
	As at April 1, 2021	Effects of foreign currency exchange differences	Additions during the year	Disposals during the year	Acquisition through business combinations referred in note 39	Derecognised on disposal of business as referred in note 40	As at March 31, 2022	As at April 1, 2021	Effects of foreign currency exchange differences	Amortisation for the year	Eliminated on disposals of assets	Eliminated on disposal of a business referred in note 40	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
- Internally generated: Registration and brands	659.29	-	116.46	-	-	-	775.75	309.62	-	56.98	-	-	366.60	409.15	349.67
- Others: Registration and brands	450.68	-	208.61	-	-	-	659.29	245.12	64.50	-	-	-	309.62	349.67	205.56
- Customer / Supply Contracts	3,383.30	202.65	51.51	18.80	189.83	111.37	3,697.12	730.79	97.92	286.97	1.08	37.93	1,076.67	2,620.45	2,652.51
- Software licenses	2,464.08	(189.61)	1,089.22	0.59	20.20	-	3,383.30	566.97	(124.50)	288.32	-	-	730.79	2,652.51	1,897.11
	807.65	4.95	0.25	-	-	-	812.85	185.39	2.24	84.87	-	-	272.50	540.35	622.26
	353.28	43.73	12.74	-	397.90	-	807.65	86.34	13.74	85.31	-	-	185.39	622.26	266.94
	1,024.99	8.64	142.87	12.13	-	28.89	1,135.48	661.99	5.46	168.49	3.65	28.19	804.10	331.38	363.00
	932.24	(3.29)	91.85	0.07	4.26	-	1,024.99	487.78	(0.31)	174.59	0.07	-	661.99	363.00	444.46
Total	5,875.23	216.24	311.09	30.93	189.83	140.26	6,421.20	1,887.79	105.62	597.31	4.73	66.12	2,519.87	3,901.33	3,987.44
Previous year	4,200.28	(149.17)	1,402.42	0.66	422.36	-	5,875.23	1,386.21	(111.07)	612.72	0.07	-	1,887.79	3,987.44	-

Notes:

- Figures in italics relates to previous year.
- Refer note 22 for details of other intangible assets pledged as security towards borrowings.

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Note No. 08 (ii). Intangible assets under development aging schedule

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
₹ In Million					
As on March 31, 2022					
Projects in progress	462.47	244.16	1,095.94	545.92	2,348.49
Projects temporarily suspended	-	-	-	-	-
As on March 31, 2021					
Projects in progress	336.74	1,137.02	351.45	372.46	2,197.67
Projects temporarily suspended	-	-	-	-	-

There are no intangibles assets under development, whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2022 and March 31, 2021.

Note No. 09 Investments

Investments consist of the following:

(i) Investment in associates and joint ventures

	₹ In Million	
	31-Mar-22	31-Mar-21
(A) Investments in associates under equity method*:		
Equity shares, unquoted		
- 11,089,320 (As at March 31, 2021: 739,288 of ₹ 10 each) shares of Re 1 each fully paid up in Stelis Biopharma Limited, India (Refer note (a, b and c) below)	4,558.44	4,886.68
- 1,839,900 (As at March 31, 2021: Nil) shares of Re 1 each partly paid up in Stelis Biopharma Limited, India (Refer note (d and e) below)	51.06	-
- 342 (As at March 31, 2021: 342) shares of Ethiopian Birr 1,000 each fully paid up in Regional Bio Equivalence Centre S.C., Ethiopia	-	-
- 21,833,626 (As at March 31, 2021: 21,833,626) shares of USD 1 each fully paid up in Strides Global Consumer Healthcare Limited, UK	664.03	859.09
- Nil (As at March 31, 2021: 4) shares of CAD 1 each fully paid up in Juno OTC Canada	-	-
Preference shares, unquoted		
- 3,734,074 (As at March 31, 2021: 3,734,074) shares of USD 0.001 each fully paid up in Aponia Laboratories Inc, USA	81.99	81.99
Less: Provision for diminution in value of investments	(81.99)	(81.99)
Total [A]	5,273.53	5,745.77
(B) Investments in joint ventures under equity method:		
Equity shares, unquoted		
- 2,450,000 (As at March 31, 2021: 2,450,000) shares of USD 1 each in Sihuan Strides (HK) Limited, HongKong	82.02	93.17
Total [B]	82.02	93.17
Total [A+B]	5,355.55	5,838.94
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	5,355.55	5,838.94
Aggregate amount of impairment in value of investments	81.99	81.99

* The amount is net of gain / loss recognised

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Notes:

(a) The Management of Stelis Biopharma Limited (Stelis) have performed annual impairment assessment of the carrying value of the assets of the Cash Generating Unit (CGU) (which included the CDMO business and intangible assets under development) as at March 31, 2022. 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 Group 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
- probabilities applied to the revenues which also factors management's best estimate of possible delay in product development cycle and regulatory approvals.

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 6%
- Increase in discount rate by 5.5% and nil terminal growth rate.

(b) Considering the current geopolitical situation between Russia and Ukraine and the subsequent sanctions enforced on Russia, the Management

of Stelis have performed annual impairment assessment of the carrying value of the assets of the Cash Generating Unit (CGU) (which included the Vaccine facility) as at March 31, 2022. 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 Group has assessed that there is no impairment.

Determination of value in use involves significant estimates and assumptions that affect the Vaccine facility's expected future cash flows. These estimates and assumptions, primarily include, but are not limited to:

- generation of revenues in due course from the Vaccine plant and contract manufacturing,
- plans to convert the existing vaccine plant for CDMO purpose,
- probabilities applied to the revenues which also factors management's best estimate of possible delay in regulatory approvals,
- ability to enforce the existing contract with customer and liquidate inventories as on balance sheet date prior to its shelf life.
- attainment of profitable operations,
- discount rate

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 8.2%
- Increase in discount rate by 7.7% and nil terminal growth rate

(c) During the year ended 31 March 2022, Stelis has incurred loss of ₹ 2,327 million and has a net negative working capital position amounting to ₹ 2,976 million, which includes the current maturities of non-current borrowings of ₹ 3,731.55 million as at 31 March 2022. As of 31 March 2022, Stelis has inventories relating to Sputnik V, which remains unsold due to geopolitical situation between Russia and Ukraine and sanctions on

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Russia and Russian Direct Investment Fund (RDIF). The management of Stelis is confident of liquidating these inventories within the shelf life in the normal course of business. Further, Stelis has shown growth in the Contract Development and Manufacturing business (from ₹ 213.9 million in FY21 to ₹ 1,321.27 million in FY22) which is expected to grow further in the coming years. Stelis also proposes to monetise some of its existing intangible assets under development through potential licensing / strategic partnerships. Stelis has requested for temporary relaxations for compliance with these financial covenants from the lenders as these have not been met as of the date of these financial statements. Also, the shareholders of Stelis have committed to extend the necessary financial support against the monies outstanding on the partly paid shares.

Given the mitigating factors discussed above, while there is a reasonable expectation that Stelis will be able to generate/raise adequate resources to continue operating for the foreseeable future and that the going concern basis for the preparation of its financial statements remains appropriate, there exists a material uncertainty in respect of Stelis's going concern. This also required the Group to undertake the Impairment assessment of the Group's investment in Stelis. The Group estimated

the recoverable amount based on the value in use of the underlying businesses. The computation uses cash flow forecasts based on the most recently approved financial budgets and strategic forecasts. The Group also considered the valuation at which funds were raised by Stelis during the year and significant increase in its revenues during the current year. Accordingly, based on the above assessment, the Group has concluded that no impairment provision is required in the consolidated financial statements.

- (d) Pursuant to the recommendation of the Board of Directors of Stelis on July 9, 2021 and approval of Members at the extraordinary general meeting held on July 14, 2021, Stelis has allotted Bonus Equity Shares in the ratio of 1:2 i.e., one bonus share for every two shares held in Stelis as on July 9, 2021. Further, pursuant to the approval obtained on July 14, 2021 from shareholders of Stelis, each equity share of ₹ 10 each was subdivided into 10 equity shares of Re. 1 each.
- (e) During the previous year, the Group approved the investment of ₹ 1,021.14 million into Stelis, in multiple tranches. During the year, 5% of the approved investment value was invested into Stelis.

(ii) Investments - non-current

	₹ In Million	
	31-Mar-22	31-Mar-21
(A) Investments carried at fair value through other comprehensive income:		
Equity shares, unquoted		
- 1,050 (As at March 31, 2021: 1,050) shares in Red Vault Investments Pty Limited, Australia	-	-
Total [A]	-	-
(B) Other investments at fair value through other comprehensive income:		
Equity shares, quoted		
- 217,391 (As at March 31, 2021: 217,391 shares in Outlook Therapeutics Inc., USA	29.38	35.78
- 639,430 (As at March 31, 2021: 639,430) shares in Sonnet Biotherapeutics Holdings Inc., USA	18.45	105.24
Total [B]	47.83	141.02
Total [A+B]	47.83	141.02
Aggregate book value of quoted investments	47.83	141.02
Aggregate market value of quoted investments	47.83	141.02
Aggregate carrying value of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-

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(iii) Investments - current

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Investments carried at fair value through profit and loss		
Investment in funds, unquoted		
- Easterngate Soaring Dragon 2 SP (Units As at March 31, 2022: Nil, March 31, 2021:133.570)	-	994.12
Total	-	994.12
Current investments offered as security towards borrowings	-	-
Highly liquid investments that are readily convertible into known amounts of cash and cash equivalents	-	994.12

Note:

The market value of quoted investments is equal to the carrying value.

Note No. 10 Loans receivable

Loans (unsecured) consist of the following:

(i) Non-current loans

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Considered good:		
Loans to:		
- Related parties (Refer note 49)	30.00	103.84
Total	30.00	103.84

(ii) Current loans

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Considered good:		
Loans to:		
- Employees	48.24	40.54
Total	48.24	40.54

Note No. 11 Other financial assets

Other financial assets consist of the following:

(i) Non-current financial assets

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Unsecured, considered good:		
Security deposits*	380.70	284.89
Bank deposits with more than 12 months maturity	12.91	139.79
Deferred consideration receivable	57.19	5,268.22
Total	450.80	5,692.90

* Includes security deposit given to related parties as referred in note 49.

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(ii) Current financial assets

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Unsecured, considered good:		
Interest accrued on deposit	1.18	39.80
Interest accrued on loans and advances given*	5.47	14.17
Receivable from related parties	23.49	-
Deferred consideration receivable on sale of investment	5,705.35	-
Derivative assets	9.08	64.54
Others:		
- Gratuity claim receivables	28.81	23.29
- Insurance claim receivable	-	57.35
- Receivable from director (refer note 49)**	141.90	-
Total	5,915.28	199.15

*Includes interest accrued on loans given to related parties as referred in note 49.

**The Company's erstwhile Managing Director and Chief Executive Officer tendered resignation in March 2022 which has been accepted by the Board of Directors (the Board). As part of the terms of his remuneration, as approved in the Annual General Meeting dated 20 August 2020, he was entitled to certain amounts subject to fulfilment of certain service conditions. Consequent to his resignation and before the completion of the specified service period, the Board decided to recover amounts due to the Company based on the originally approved terms of his appointment. Accordingly, in line with the requirements of Section 197(9) of the Act, the Company has recorded such excess remuneration of ₹ 141.90 million paid as a recoverable balance as at 31 March 2022.

Note No. 12 Deferred tax balances

Particulars	₹ In Million	
	As at 31-Mar-22	As at 31-Mar-21
Deferred tax assets (net)	2,151.49	1,982.21
Deferred tax liabilities (net)	(357.19)	(463.48)
Total	1,794.30	1,518.73

Year ended March 31, 2022	₹ In Million					
	Opening balance	Recognised in statement of profit or loss**	Recognised in other comprehensive income	Acquisitions / disposals	Exchange differences	Closing balance
Deferred tax (liabilities)/assets in relation to:						
Cash flow hedges (including forward element of forward contracts)	9.82	-	(3.19)	-	0.71	7.34
Property, plant and equipment	(634.99)	(76.77)	-	-	(3.51)	(715.27)
Intangible assets	(466.41)	45.15	-	(2.60)	(16.35)	(440.21)
Other financial liabilities	36.42	(30.98)	-	-	0.47	5.91
Others	243.08	18.56	20.60	-	10.79	293.03
Inventory	762.85	(136.42)	-	(25.15)	5.80	607.08
Employee benefits	268.35	1.67	(1.64)	-	-	268.38
Merger and restructuring related expenses	5.13	(4.23)	-	-	-	0.90
Allowance for credit losses	49.41	(36.97)	-	-	0.02	12.46
	273.66	(219.99)	15.77	(27.75)	(2.07)	39.62
Tax losses	414.03	386.36	-	-	11.39	811.78
MAT credit entitlement	831.04	111.86	-	-	-	942.90
Total	1,518.73	278.23	15.77	(27.75)	9.32	1,794.30

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Year ended March 31, 2021	₹ In Million					
	Opening balance	Recognised in statement of profit or loss**	Recognised in other comprehensive income	Acquisitions / disposals	Exchange differences	Closing balance
Deferred tax (liabilities)/assets in relation to:						
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
	105.83	300.53	(151.00)	-	18.30	273.66
Tax losses	834.46	(396.30)	-	-	(24.13)	414.03
MAT credit entitlement	837.30	(6.26)	-	-	-	831.04
Total	1,777.59	(102.03)	(151.00)	-	(5.83)	1,518.73

** 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 asset consists of the following:

Non-current income tax assets

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Advance income tax (net of provisions)	1,028.99	708.37
Taxes paid under protest	593.77	593.77
Total	1,622.76	1,302.14

Note No. 14 Other assets

Other assets (unsecured) consist of the following:

(i) Other non-current assets

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Considered good:		
Capital advances	25.79	141.35
Prepaid expenses	32.47	55.06
Lease equalisation assets	-	2.18
Balances with Government Authorities:		
- VAT credit / refund receivable	20.78	20.32
- Indirect taxes paid under protest	25.78	25.78
Others:		
- Receivable from KIADB	-	4.79
Total	104.82	249.48

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(ii) Other current assets

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Considered good:		
Advance to suppliers	557.43	328.00
Advance to employees	17.27	4.41
Advances to others	-	7.55
Prepaid expenses	541.85	526.86
Balances with Government Authorities	831.92	904.95
Incentives receivables	21.83	256.21
Total	1,970.30	2,027.98

Note No. 15 Inventories

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Raw materials (including goods in transit)	5,748.88	5,516.96
Work-in-progress	481.86	385.62
Finished goods	2,777.28	5,359.47
Finished goods-in-transit	1,858.99	277.23
Stock-in-trade	636.36	244.07
Stores and spares	234.59	223.68
Total	11,737.96	12,007.03

Note No. 16 Trade receivables

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Unsecured		
Considered good*	12,495.25	11,663.05
Credit impaired	-	63.00
	12,495.25	11,726.05
Less: Allowance for credit loss (Refer note 51.6)	(422.24)	(620.18)
Total	12,073.01	11,105.87

* 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, 2022, trade receivables balances include ₹ 804.12 Million (As at March 31, 2021: ₹ 864.14 Million) and the corresponding financial liability to the banks is included as part of working capital loan under short-term borrowings.

Trade receivables ageing schedule as at March 31, 2022

Particulars	₹ In Million							
	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables								
- Considered Good	65.65	10,033.11	1,523.55	256.95	108.93	361.97	145.09	12,495.25
- Significant increase in credit risk	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-	-
Disputed Trade receivables								
- Considered Good	-	-	-	-	-	-	-	-
- Significant increase in credit risk	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-	-
	65.65	10,033.11	1,523.55	256.95	108.93	361.97	145.09	12,495.25

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Trade receivables ageing schedule as at March 31, 2021

Particulars	₹ In Million							
	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables								
- Considered Good	37.28	8,520.90	2,214.81	61.71	465.35	225.65	137.35	11,663.05
- Significant increase in credit risk	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	63.00	-	63.00
Disputed Trade receivables								
- Considered Good	-	-	-	-	-	-	-	-
- Significant increase in credit risk	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-	-
	37.28	8,520.90	2,214.81	61.71	465.35	288.65	137.35	11,726.05

Note No. 17 Cash and cash equivalents

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Cash on hand	2.71	2.96
Balances with banks:		
- In current accounts	1,573.41	1,056.70
- In deposit accounts	14.61	5.27
- Funds-in-transit	116.57	193.41
Total	1,707.30	1,258.34

Note No. 18 Other balances with banks

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
In deposit accounts	134.55	496.20
In earmarked accounts:		
- Unpaid dividend accounts	10.92	21.68
- Unpaid shares accounts	0.33	0.33
- Group gratuity accounts	0.09	1.26
- Balance held as margin money against working capital facilities with banks	20.33	19.84
Total	166.22	539.31

Note No. 19 Equity share capital

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Authorised		
188,370,000 equity shares of ₹ 10/- each with voting rights (March 31, 2021: 188,370,000 equity shares of ₹ 10/- each)	1,883.70	1,883.70
Total	1,883.70	1,883.70
Issued, subscribed and fully paid-up		
89,790,214 equity shares of ₹10/- each with voting rights (March 31, 2021: 89,680,964 equity shares of ₹ 10/- each)	897.90	896.81
Total	897.90	896.81

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(i) Reconciliation of number of shares and amount outstanding:

Particulars	Notes	31-Mar-22		31-Mar-21	
		No. of shares	₹ In Million	No. of shares	₹ In Million
Equity share capital					
Equity share of ₹ 10/- each					
Balance at the beginning of the year		89,680,964	896.81	89,565,464	895.65
Changes in equity share capital during the year					
Shares issued pursuant to the exercise of stock options	45	109,250	1.09	115,500	1.16
Balance at the end of the year		89,790,214	897.90	89,680,964	896.81

(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	31-Mar-22		31-Mar-21	
	No. of shares	%	No. of shares	%
Pronomz Ventures LLP	16,926,147	18.85%	16,484,247	18.38%
SBI Long Term Equity Fund	2,380,298	2.65%	5,798,104	6.47%
Aditya Birla Sun Life Trustee Private Limited A/C	5,275,798	5.88%	6,251,740	6.97%
Aditya Birla Sun Life Pharma & Healthcare Fund				
Life Insurance Corporation of India	4,136,701	4.61%	4,985,701	5.56%

(iv) Details of equity shares of ₹ 10/- each reserved for issuance:

Particulars	No. of shares	
	31-Mar-22	31-Mar-21
Towards employee stock options under the various Strides stock option plans (Refer note 45)	2,590,700	2,602,800
Total	2,590,700	2,602,800

(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.

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(vi) Shareholding of Promoters at the end of the year:

S.No	Promoter Name	31-Mar-22			31-Mar-21		
		No. of Shares	% of total shares	% change during the year	No. of Shares	% of total shares	% change during the year
Promoters							
1	Arun Kumar Pillai	15,40,997	1.72%	11%	13,85,797	1.55%	1%
2	Devendra Kumar S	2	0.00%	(100%)	88,736	0.10%	687%
3	K R Ravishankar	12,55,593	1.40%	0%	12,55,593	1.40%	0%
4	Vimal Kumar S	2,93,201	0.33%	12%	2,62,027	0.29%	2%
5	Pronomz Ventures LLP	1,69,26,147	18.85%	3%	1,64,84,247	18.38%	30%
Promoters Group							
6	Abhaya Kumar S	57,869	0.06%		-	0.00%	0%
7	Chaitanya D	59,882	0.07%	113%	28,175	0.03%	(93%)
8	Gayatri Nair	33,000	0.04%	0%	33,000	0.04%	0%
9	Hemalatha Pillai	66,760	0.07%	0%	66,760	0.07%	39%
10	Jatin V	4,61,042	0.51%	0%	4,61,033	0.51%	0%
11	Jitesh D	25,825	0.03%	0%	25,825	0.03%	(93%)
12	K R Lakshmi	1,30,365	0.15%	0%	1,30,365	0.15%	0%
13	Leela V	4,17,867	0.47%	0%	4,17,858	0.47%	0%
14	Monisha Nitin	1,49,764	0.17%	0%	1,49,764	0.17%	3%
15	Nitin Kumar V	5,27,093	0.59%	6%	4,98,005	0.56%	0%
16	Padmakumar Karunakaran Pillai	1,86,485	0.21%	0%	1,86,485	0.21%	9%
17	Pooja Srisrimal	93,750	0.10%	0%	93,750	0.10%	0%
18	Purushothaman Pillai G	33,013	0.04%	0%	33,013	0.04%	0%
19	Rahul Nair	20,000	0.02%	0%	20,000	0.02%	0%
20	Rajitha Gopalakrishnan	60,000	0.07%	0%	60,000	0.07%	33%
21	Rupali Jatin	1,89,826	0.21%	0%	1,89,826	0.21%	3%
22	Sajitha Pillai	95,000	0.11%	0%	95,000	0.11%	19%
23	Sajjan D	1,76,670	0.20%	(26%)	2,37,692	0.27%	42%
24	Suchi Chaitanya Srisrimal	93,750	0.10%	0%	93,750	0.10%	0%
25	V. Jatin (HUF)	408	0.00%	0%	408	0.00%	0%
26	V. Nitin Kumar (HUF)	500	0.00%	0%	500	0.00%	0%
27	Vimal Kumar S (HUF)	1,15,158	0.13%	0%	1,15,158	0.13%	0%
28	S Abhaya Kumar (HUF)	78,043	0.09%	0%	78,043	0.09%	24%
29	Taru Mardia	14,000	0.02%	0%	14,000	0.02%	0%
30	Vibha Srisrimal	14,000	0.02%	0%	14,000	0.02%	0%
31	Vineetha Mohanakumar Pillai	1,90,000	0.21%	0%	1,90,000	0.21%	9%
32	Lakshmi Gopalakrishnan	50,000	0.06%	0%	50,000	0.06%	0%
33	Rajeshwari Amma	-	0.00%		-	0.00%	(100%)
Body Corporates							
34	Abusha Investment & Manangement Services LLP	2,81,221	0.31%	0%	2,81,221	0.31%	0%
35	Araganya Private Trust	3,00,000	0.33%	0%	-	0.00%	0%
36	Ambemata Securities	4,81,660	0.54%	0%	4,81,660	0.54%	0%
37	Shasun Enterprises LLP (formerly Devendra Estates LLP)	8,23,953	0.92%	0%	8,23,953	0.92%	0%
38	Shasun Leasing And Finance (P) Limited	10,05,000	1.12%	0%	10,05,000	1.12%	0%
39	Triumph Venture Holdings LLP	-	0.00%	(100%)	35,937	0.04%	0%
40	Karuna Business Solutions LLP	12,25,050	1.36%	0%	12,23,500	1.36%	103%
41	Agnus Capital LLP	-	0.00%	0%	-	0.00%	(100%)
42	Agnus holding Private Limited	-	0.00%	0%	-	0.00%	(100%)

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S.No	Promoter Name	31-Mar-22			31-Mar-21		
		No. of Shares	% of total shares	% change during the year	No. of Shares	% of total shares	% change during the year
43	Chayadeep Properties	-	0.00%	0%	-	0.00%	(100%)
44	Devendra Estates Private Limited	-	0.00%	0%	-	0.00%	(100%)
45	Karuna Ventures Private Limited	-	0.00%	0%	-	0.00%	(100%)
46	Lifecell Internatinal Private Limited	-	0.00%	0%	-	0.00%	(100%)
47	Sequent Scientific Limited	-	0.00%	0%	-	0.00%	(100%)

Note No. 20 Other equity

Particulars	Notes	₹ In Million	
		As at 31-Mar-22	As at 31-Mar-21
(A) Share application money pending allotment	20 (A)	4.06	-
(B) Reserves and surplus			
Capital reserve	20 (B)(i)	341.00	214.84
Securities premium	20 (B)(ii)	17,321.88	17,272.67
Capital redemption reserve	20 (B)(iii)	601.61	601.61
Share options outstanding account	20 (B)(iv)	20.46	47.20
Equity for gross obligation	20 (B)(v)	(4,063.14)	(4,063.14)
General reserve	20 (B)(vi)	4,036.96	4,015.69
Retained earnings	20 (B)(vii)	23.08	4,849.50
(C) Items of other comprehensive income			
FVOCI equity investments reserve	20 (C)(i)	(672.14)	(598.77)
Cash flow hedging reserve	20 (C)(ii)	(57.60)	(197.39)
Foreign currency translation reserve	20 (C)(iii)	5,292.36	4,887.43
Remeasurement of the defined benefit liabilities / (asset)	20 (C)(iv)	(154.15)	(159.84)
Total		22,694.38	26,869.80

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.
- (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.

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- (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	
	31-Mar-22	31-Mar-21
(A) Share application money pending allotment		
Opening balance	-	-
Add: Received during the year	4.06	-
Closing balance	4.06	-
(B) Reserves and surplus		
(i) Capital reserve		
Opening balance	214.84	425.46
Less: Pursuant to acquisition from non-controlling interest (Refer note 39.2)	2.56	-
Less: Adjustment pursuant to the scheme of merger (Refer note 50.2)	-	(210.62)
Add: Pursuant to business combinations (Refer note 39)	123.60	-
Closing balance	341.00	214.84
(ii) Securities premium		
Opening balance	17,272.67	17,008.37
Add: Adjustment pursuant to the scheme of merger (Refer note 50.2)	-	210.62
Add: Premium received on shares issued during the year	49.21	53.68
Closing balance	17,321.88	17,272.67
(iii) Capital redemption reserve		
Opening balance	601.61	601.61
Closing balance	601.61	601.61
(iv) Share options outstanding account (Refer note 45)		
Opening balance	47.20	57.24
Less: Transferred to securities premium account on exercise of ESOPs	(18.18)	(19.85)
Less: Transferred to general reserve on stock options lapse	(21.27)	(5.41)
Add: Employee stock compensation expenses (including expenses pertaining to discontinued operations)	12.71	15.22
Closing balance	20.46	47.20

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Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
(v) Equity for gross obligation		
Opening balance	(4,063.14)	(3,840.13)
Add: Pursuant to business combinations (Refer note 39)	-	(223.01)
Closing balance	(4,063.14)	(4,063.14)
(vi) General reserve		
Opening balance	4,015.69	4,010.28
Add: Transferred from share options outstanding account	21.27	5.41
Closing balance	4,036.96	4,015.69
(vii) Retained earnings		
Opening balance	4,849.50	2,344.23
Add: Profit / (loss) for the year	(4,602.11)	2,684.42
Less: Dividend on equity shares including taxes	(224.31)	(179.15)
Closing balance	23.08	4,849.50
Total Reserves and surplus [B]	18,281.85	22,938.37
(C) Items of other comprehensive income		
(i) FVOCI equity investments reserve		
Opening balance	(598.77)	(703.08)
Add / (Less): Other comprehensive income for the year (net of taxes)	(73.37)	104.31
Closing balance	(672.14)	(598.77)
(ii) Cash flow hedging reserve		
Opening balance	(197.39)	(563.31)
Add / (Less): Other comprehensive income for the year (net of taxes)	139.79	365.92
Closing balance	(57.60)	(197.39)
(iii) Foreign currency translation reserve		
Opening balance	4,887.43	5,183.76
Add / (Less): Other comprehensive income for the year	404.93	(296.33)
Closing balance	5,292.36	4,887.43
(iv) Remeasurement of the defined benefit liabilities / (asset)		
Opening balance	(159.84)	(145.91)
Add / (Less): Other comprehensive income for the year (net of taxes)	5.69	(13.93)
Closing balance	(154.15)	(159.84)
Total items of other comprehensive income [C]	4,408.47	3,931.43
Attributable to equity holders of the Company [A + B + C]	22,694.38	26,869.80

Note No. 21 Non-controlling interests

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Opening balance	373.41	672.38
Less: Loss for the year	(140.39)	(107.13)
Add / (Less): Other comprehensive income for the year	12.95	5.58
Add / (Less): Pursuant to exchange movement	(2.53)	(8.21)
Add / (Less) Pursuant to business combinations (Refer note 39)	-	(189.21)
Add / (Less): Pursuant to acquisition of non-controlling interest in subsidiary (Refer note 39)	(2.56)	-
Closing balance	240.88	373.41

Notes

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Note No. 22 Borrowings

Borrowings consist of the following:

(i) Non-current borrowings

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Secured		
- Term loans from banks (Refer note (i) to (xiv) below)	6,839.68	7,890.89
- Term loans from others (Refer note (xv) and (xvi) below)	608.90	843.40
Unsecured		
- Term loans from others (Refer note (xvii) to (xx) below)	907.65	91.49
Total	8,356.23	8,825.78

Details of security and terms of repayment for the non-current borrowings:

Terms of repayment and security	₹ In Million	
	31-Mar-22	31-Mar-21
(i) Term loans from banks: Loan 1		
Long-term loan	1.71	2.86
Current maturities of long-term loan	1.15	1.06
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, 2022 is 19 to 44 installments.		
(ii) Term loans from banks: Loan 2		
Long-term loan	276.58	398.50
Current maturities of long-term loan	125.00	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, 2022 is 39 installments.		
(iii) Term loans from banks: Loan 3		
Long-term loan	-	33.33
Current maturities of long-term loan	33.33	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, 2022 is 2 installments.		
(iv) Term loans from banks: Loan 4		
Long-term loan	359.75	197.30
Current maturities of long-term loan	124.80	-
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, 2022 is 47 installments.		
(v) Term loans from banks: Loan 5		
Long-term loan	140.93	138.96
Current maturities of long-term loan	90.94	165.22
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, 2022 ranges between 24 to 29 instalments.		

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Terms of repayment and security	₹ In Million	
	31-Mar-22	31-Mar-21
(vi) Term loans from banks: Loan 6		
Long-term loan	-	2,724.79
Current maturities of long-term loan	2,847.38	548.61
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, 2022 is 8 instalments.		
(vii) Term loans from banks: Loan 7		
Long-term loan	-	522.53
Current maturities of long-term loan	547.46	594.33
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, 2022 is 3 instalments.		
(viii) Term loans from banks: Loan 8		
Long-term loan	1,044.65	-
Current maturities of long-term loan	303.71	-
Security: First pari-passu charge on all current assets and all fixed assets including intangibles of the borrowing subsidiary, both present and future		
Rate of interest: 3 months LIBOR + 300 bps p.a.		
Repayment terms: Repayable in 20 equal quarterly instalments. The outstanding term as at March 31, 2022 is 18 instalments		
(ix) Term loans from banks: Loan 9		
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 loan was fully repaid during the year.		
(x) Term loans from banks: Loan 10		
Long-term loan	-	-
Current maturities of long-term loan	25.00	50.00
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, 2022 is 4 instalments.		
(xi) Term loans from banks: Loan 11		
Long-term loan	162.67	322.80
Current maturities of long-term loan	163.91	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, 2022 is 8 instalments.		

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Terms of repayment and security	₹ In Million	
	31-Mar-22	31-Mar-21
(xii) Term loans from banks: Loan 12		
Long-term loan	4,487.74	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.		
(xiii) Term loans from banks: Loan 13		
Long-term loan	285.65	-
Current maturities of long-term loan	70.76	-
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: 3.62% p.a.		
Repayment terms: Repayable in 60 monthly instalments. The outstanding term as at March 31, 2022 is 56 instalments.		
(xiv) Term loans from banks: Loan 14		
Long-term loan	80.00	-
Current maturities of long-term loan	-	-
Security: Second charge on all current assets and fixed assets including intangible assets of the borrowing subsidiary, present and future and guaranteed by National Credit Guarantee Trustee Company Limited		
Rate of interest: 9.25%		
Repayment terms: Repayable in 36 equal monthly instalments after an initial moratorium period of 24 months from the date of first disbursement. The outstanding term as at March 31, 2022 is 36 instalments.		
(xv) Term loans from others: Loan 15		
Long-term loan	328.88	461.98
Current maturities of long-term loan	125.00	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: 48 equal monthly instalments from date of first disbursement. The outstanding term as at March 31, 2022 is 44 instalments.		
(xvi) Term loans from others: Loan 16		
Long-term loan	280.02	381.42
Current maturities of long-term loan	103.68	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, 2022 is 15 instalments.		
(xvii) Unsecured Long-term loans from banks: Loan 17		
Long-term loan	41.14	38.76
Current maturities of long-term loan	-	-
Rate of interest: Nil		
Repayment terms: Within 5 years from date of drawdown.		
(xviii) Unsecured Long-term loans from others: Loan 18 *		
Long-term loan	-	29.14
Current maturities of long-term loan	32.67	0.31
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		
(xix) Unsecured Long-term loans from others: Loan 19 *		
Long-term loan	27.22	23.59
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.		

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	₹ In Million	
Terms of repayment and security	31-Mar-22	31-Mar-21
(xx) Unsecured Long-term loans from others: Loan 20		
Long-term loan	839.29	-
Current maturities of long-term loan	3.24	-
Rate of interest: 12.5% p.a.		
Repayment terms: 360 equal monthly instalments. The outstanding term as at March 31, 2022 is 351 installments.		
Total	12,954.26	10,795.50

* Loan taken by foreign subsidiary

	₹ In Million	
Particulars	31-Mar-22	31-Mar-21
Disclosed under non-current borrowings	8,356.23	8,825.78
Disclosed under current borrowings		
- Current maturities of non-current borrowings	4,598.03	1,969.72
Total	12,954.26	10,795.50

(ii) Current borrowings

	₹ In Million	
Particulars	31-Mar-22	31-Mar-21
Current maturities of non-current borrowings (Refer note 22 (i) above)	4,598.03	1,969.72
Secured loans repayable on demand from banks: (Refer note below)		
- Working capital loans	10,130.95	6,810.23
- Short-term loans	3,512.85	2,812.44
Unsecured loans		
- Short-term loans from others	42.52	21.23
- Loans repayable on demand from banks	1,112.45	594.48
- Loans repayable on demand from others	166.57	-
Total	19,563.37	12,208.10

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 Group and second pari passu charge on movable and immovable fixed assets of the Company (other than land and building situated at Navi Mumbai). Rate of interest ranges from 1.40% to 13.00% p.a. (previous year 1.4% to 13.00% p.a)

(b) The returns or statements filed by the Group with the banks or financial institutions, for its borrowings, are in agreement with books of accounts.

Also refer note 2

Net debt reconciliation

	₹ In Million	
Particulars	31-Mar-22	31-Mar-21
Non-current borrowings	8,356.23	8,825.78
Current borrowings- working capital loans	14,965.34	10,238.38
Current maturities of long-term loans	4,598.03	1,969.72
	27,919.60	21,033.88
Less:		
Cash and cash equivalents	(1,707.30)	(1,258.34)
Balances in deposit accounts	(134.55)	(496.20)
Cash and bank balances	(1,841.85)	(1,754.54)
Current investments (highly liquid)	-	(994.12)
Net debt	26,077.75	18,285.22

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	₹ In Million				
Particulars	Cash and bank balances	Current investments (highly liquid)	Non Current borrowings (including current maturities)	Current borrowings	Net Debt
As on April 1, 2021	1,754.54	994.12	10,795.50	10,238.38	18,285.22
Cash flows	86.03	(1,004.44)	1,825.31	4,564.32	7,308.04
Effect of exchange differences on restatement of foreign currency balances	1.28	10.27	283.30	162.64	434.39
Others	-	0.05	50.15	-	50.10
As on March 31, 2022	1,841.85	-	12,954.26	14,965.34	26,077.75

Note No. 23 Other financial liabilities

Other financial liabilities consist of the following:

(i) Other non-current financial liabilities

	₹ In Million	
Particulars	31-Mar-22	31-Mar-21
Security deposits	29.00	39.59
Derivative liability	8.11	156.19
Contingent consideration payable	291.79	320.12
Gross obligation under written put option	242.88	237.75
Total	571.78	753.65

(ii) Other current financial liabilities

	₹ In Million	
Particulars	31-Mar-22	31-Mar-21
Interest accrued but not due on borrowings	58.10	47.85
Unclaimed dividends *	10.91	21.68
Derivative liability	66.96	115.55
Gross obligation under written put option	-	93.06
Other payables:		
- Payables on purchase of property, plant and equipments and intangible assets	171.06	211.39
- Payables on purchase of non-current investments	114.59	110.40
- Contingent consideration for acquisition of subsidiaries	181.84	88.79
- Payables to employees under cash settled share based payments	33.00	52.80
- Other payable to employees	477.59	456.31
- Others	38.26	52.95
Total	1,152.31	1,250.78

*Investor Education and Protection Fund shall be credited when due.

Note No. 24 Provisions

Provisions consist of the following:

(i) Non-current provisions

	₹ In Million	
Particulars	31-Mar-22	31-Mar-21
Provision for employee benefits:		
Gratuity and other benefits (Refer note 46)	450.44	404.29
Provision - Others:		
- Provision for sales return	192.36	269.79
Total	642.80	674.08

Notes

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(ii) Current provisions

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Provision for sales return	283.49	300.66
Provision for claims	607.44	585.19
Provision for employee benefits:		
- Compensated absences	332.16	352.11
- Gratuity and other benefits (Refer note 46)	3.14	3.95
Total	1,226.23	1,241.91

Movement in provisions

Particulars	₹ In Million			
	Claims	Gratuity and other benefits	Compensated absences	Sales return
Opening balance as at April 1, 2021	585.19	408.24	352.11	570.45
Pursuant to exchange	22.25	-	-	21.25
Provision recognised / (utilised) during the year (net)	-	45.34	(19.95)	(115.85)
Closing balance as at March 31, 2022	607.44	453.58	332.16	475.85

Note No. 25 Other liabilities

Other liabilities consist of the following:

(i) Other non-current liabilities

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Asset retirement obligation	16.04	15.05
Prepaid rent liability	-	1.08
Total	16.04	16.13

(ii) Other current liabilities

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Other payables:		
- Advances from customers	281.21	239.01
- Statutory liabilities	443.93	404.80
- Other liabilities	30.37	-
Total	755.51	643.81

Note No. 26 Trade payables

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Total outstanding dues of micro enterprises and small enterprises (MSME)	326.75	378.35
Total outstanding dues of creditors other than micro and small enterprises*	10,388.49	10,963.65
Total	10,715.24	11,342.00

* includes dues to related party as referred in note 49.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Trade payable ageing schedule as at March 31, 2022

Particulars	Unbilled Payables	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed dues							
- MSME	-	150.40	168.20	6.35	1.01	0.79	326.75
- Others	1290.25	3,088.31	5,217.82	361.81	250.51	179.79	10,388.49
Disputed dues							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-

Trade payable ageing schedule as at March 31, 2021

Particulars	Unbilled Payables	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed dues							
- MSME	-	167.24	207.02	3.60	0.36	0.13	378.35
- Others	1,723.63	4,383.88	4,350.31	302.57	140.43	62.83	10,963.65
Disputed dues							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-

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	
	31-Mar-22	31-Mar-21
Provision for tax (net of advance tax)	-	1,790.91
Total	-	1,790.91

The Company during the previous year had received certain refunds including interest from tax authorities on account of certain tax credits for earlier years. The amount of refund was earlier recorded as a liability pending receipt of certain documents from tax authorities. During the current year, on receipt of the required documentation from tax authorities, the Company recorded the refund received including other tax provision for such assessment year aggregating to ₹1,606 million as a tax credit and the interest income amounting to ₹ 748 million on the said refund under other income in the financial statements.

(ii) Current tax liabilities (net)

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Provision for tax (net of advance tax)	238.11	351.18
Total	238.11	351.18

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Note No. 28 Revenue from operations

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Sale of products	29,562.05	32,148.35
Sale of services	658.51	363.20
	30,220.56	32,511.55
Other operating revenues*	481.94	647.15
Total	30,702.50	33,158.70

* Other operating revenue include support service income ₹ 366.79 Million (2021: ₹ 291.11 Million), royalty income ₹ 29.94 Million (2021: ₹ 76.04 Million) and export incentives ₹ 85.21 Million (2021: ₹ 280 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	
	31-Mar-22	31-Mar-21
North America	12,058.99	16,458.90
Australia	3,174.77	2,452.86
Africa	5,707.41	5,203.26
Europe	6,768.55	7,295.04
India	473.47	400.74
Asia (excluding India)	1,970.59	608.17
Others	66.78	92.58
	30,220.56	32,511.55
Revenue from other sources		
Other operating revenue	481.94	647.15
	481.94	647.15
Total revenue from operations	30,702.50	33,158.70

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	
	31-Mar-22	31-Mar-21
Sale of services	223.01	214.74

D. Reconciliation of revenue from contracts with customers

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Revenue from contracts with customers as per the contract price	52,790.41	54,087.68
Adjustments made to contract price on account of :-		
a) Chargebacks / Discounts / Rebates / Incentives	(22,416.66)	(21,315.77)
b) Sales returns/ reversals	(104.82)	(260.36)
c) Sales returns/ reversals related to product withdrawal*	(48.37)	-
Revenue from Contracts with customers as per statement of profit and loss	30,220.56	32,511.55

* Losartan returns for the current year

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Note No. 29 Other income

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Interest income **	1,073.26	353.01
Income from current investments	2.89	11.93
Gain on sale of short-term investment in mutual funds	0.04	0.00
Rental income from investment property	60.33	76.99
Other non-operating income:		
- Liabilities / provisions no longer required written back	-	7.45
- Guarantee commission *	52.16	41.51
- Gain on sale of property, plant and equipment, other intangible assets and investment property (net)	112.47	23.38
- Others	18.73	-
Total	1,319.88	514.27

* includes guarantee commission from related parties as referred in note 49.

**Includes interest income amounting to ₹ 748 million on tax refunds. The Company during the previous year had received certain refunds including interest from tax authorities on account of certain tax credits for earlier years. The amount of refund was earlier recorded as a liability pending receipt of certain documents from tax authorities. During the current year, on receipt of the required documentation from tax authorities, the Company recorded the interest income on the said refund.

Note No. 30 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Inventories at the end of the year		
- Work-in-progress	481.86	385.62
- Stock-in-trade	636.36	244.07
- Finished goods	4,636.27	5,636.70
	5,754.49	6,266.39
Less: Write off on account of withdrawal (Refer note 35)		
- Finished goods	(254.88)	-
	(254.88)	-
(Add)/Less: Consolidation adjustment:		
- Work-in-progress	3.42	(3.68)
- Finished goods	1.88	(16.40)
	5.30	(20.08)
Inventories at the beginning of the year		
- Work-in-progress	385.62	609.48
- Stock-in-trade	244.07	116.96
- Finished goods	5,636.70	1,856.43
	6,266.39	2,582.87
Add: Opening stock pertaining to entity acquired during the year (Refer note 39)		
- Work-in-progress	24.19	-
- Finished goods	156.52	166.54
	180.71	166.54
Total	952.79	(3,537.06)

Note No. 31 Employee benefits expense

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Salaries, wages and bonus	5,283.01	4,656.28
Contribution to provident and other funds (Refer note 46)	552.55	393.30
Share based compensation expense (Refer note 45)	(7.09)	68.02
Staff welfare expenses	640.62	383.87
Total	6,469.09	5,501.47

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Note No. 32 Finance costs

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Interest expense on:		
- Borrowings	1,288.15	1,092.47
- Leases (Refer note 5)	168.47	148.74
- Discounting of deposits	0.62	2.79
Other finance costs	310.20	256.65
Total	1,767.44	1,500.65

Note No. 33 Depreciation and amortisation expense

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Depreciation on plant, property and equipments (Refer note 4(i))	1,424.12	1,176.26
Amortization on right to use (Refer note 5)	283.12	228.22
Depreciation on investment property (Refer note 6)	25.59	45.67
Amortisation on other intangible asset (Refer note 8(i))	597.31	612.72
Amount charged to the statement of profit and loss:	2,330.14	2,062.87
- under continuing operations	2,330.14	2,062.87
- under discontinued operations	-	-

Note No. 34 Other expenses

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Subcontracting charges	482.68	453.54
Consumption of stores and spares	809.67	759.87
Power, fuel and water	715.42	645.82
Rent including lease rentals (Refer note 5)	80.89	71.96
Repairs and maintenance:		
- Buildings	61.15	53.47
- Machinery	458.30	451.66
- Others	593.46	380.90
Insurance	210.08	170.64
Rates and taxes	516.52	589.38
Communication expense	93.08	87.14
Travelling and conveyance	91.08	62.82
Printing and stationery	36.13	41.85
Carriage, freight and forwarding	3,009.41	2,003.94
Business promotion	178.18	130.48
Sales commission	125.38	97.76
Failure to Supply	230.13	588.35
Donations and contributions	3.42	5.09
Legal and professional fees	1,208.92	893.47
Provision for doubtful debts (including bad debt written off)	(14.08)	94.61
Other receivables written off	15.85	-
Bio-study expenses	149.98	279.94
Miscellaneous expenses	257.81	198.48
Total	9,313.46	8,061.17

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Note No. 35 Exceptional items

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Exchange gain/ (loss) on long-term foreign currency loans, deferred consideration and intra-group loans	(109.24)	1,027.73
Impairment and cost associated with disposal of facility (Refer note c below)	(1,727.16)	-
Impairment of investment in an associate	-	(81.99)
Sales returns, write down of inventory and other expenses on account of product withdrawal (Refer note (a) & (b) below)	(552.34)	(750.50)
Write down of inventories and other assets	(46.76)	-
Gain on dilution of investment in an associate (Refer note d below)	529.26	323.00
Fair valuation gain on acquisition of controlling shares in an associate (Refer note 39.1)	-	25.30
Business combination and restructuring expenses	(211.27)	(23.61)
Severance and retrenchment payments (Refer note c below)	(207.00)	-
Unwinding/ cancellation of gross obligations and contingent consideration	11.27	(86.40)
Gain on sale of investment in an associate (Refer note 40.3)	27.79	-
Gain on divestment of subsidiaries	1.57	-
Loss on sale of business unit (Refer note 40.2)	(154.37)	-
Total	(2,438.25)	433.53

Note

- (a) 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 1 April 2020, the Group has ceased further distribution of the product and is currently in the process of withdrawing the product from the market.

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 at March 31, 2022, the Group is carrying sufficient provision for sales return and has recorded an amount of ₹ 198.87 million towards 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.

- (b) During the year, USFDA issued a letter to the Group to test for the presence of Azide impurity(s) in Losartan. The Azide impurity(s) are API process impurity(s), with the API manufacturer also receiving a similar letter from USFDA. The results confirmed the presence of Azide impurity(s) in the batches tested. As a result, the group proposed to initiate a voluntary recall of specific batches which had the Azide impurity(s).

The Group has estimated the impact of the aforesaid recall and recorded a sales return provision for potential refunds on return of the product. The Group has also estimated the costs of such recall and have provided for all inventory of Losartan with the Azide impurity(s) as of 31 March 2022, amounting to ₹ 353.47 million.

Subsequently the API process at the API manufacturer was optimized to address this issue and the product was relaunched during the current year.

- (c) On August 4, 2021, the Group through its wholly owned subsidiaries entered into definitive agreements with subsidiaries of Endo International Plc to acquire a portfolio of generic products along with the US manufacturing site at Chestnut Ridge, New York. Pursuant to such acquisition, the management decided to consolidate its existing operations with the acquired facility at Chestnut Ridge, New York to optimise future operating costs.

Pursuant to the acquisition of Chestnut Ridge facility, the Group as a part of its cost improvement and capacity optimization has divested the Florida facility. Accordingly, the Group has recorded an impairment loss amounting to ₹ 1,727.16 million.

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Additionally, the Group as part of cost improvement measures globally and capacity optimization at various manufacturing locations, resulting in one time severance expense aggregating to ₹ 207 million, which has been disclosed under exceptional items.

- d. One of the associates of the Group, raised equity investments during the year ended 31 March 2021 and 31 March 2022. Consequently, the Group's shareholding has reduced. As per Ind AS 28 'Investment in associates and Joint ventures', the Group recorded gain on dilution of shareholding of ₹ 323.00 million and ₹ 529.26 million during the year ended 31 March 2021 and 31 March 2022 respectively.

Note No. 36 Tax expenses

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Current tax		
Current tax expense	102.01	290.13
Current tax relating to prior years reversed *	(1,606.41)	(75.65)
	(1,504.40)	214.48
Deferred tax benefit		
Deferred tax expense / (benefit)	(166.37)	95.77
Minimum alternative tax credit utilised	(111.86)	6.26
	(278.23)	102.03
Total	(1,782.63)	316.51

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	
	31-Mar-22	31-Mar-21
Profit before tax		
- from continuing operations	(6,525.13)	2,754.39
- from discontinued operations	-	139.41
	(6,525.13)	2,893.80
Indian statutory income tax rate	34.944%	34.944%
Expected income tax expense	(2,280.14)	1,011.21

Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:

Income exempt from tax	(48.25)	(182.73)
Effect of expenses that are not deductible in determining taxable profit	99.11	128.57
Effect of concessions	(19.04)	(112.12)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	312.01	148.14
Effect of different tax rates of subsidiaries operating in other jurisdictions	1,660.40	(828.10)
Tax refund pertaining to prior years	(1,655.31)	-
Effect on recognition of past unrecognised deferred tax asset	38.80	(112.46)
Tax on share of equity accounted joint venture and associates	387.21	341.82
Others (net)	(277.42)	(77.82)
Total Income tax expense	(1,782.63)	316.51

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. 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.

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*The Company during the previous year had received certain refunds including interest of ₹ 1,790 million from tax authorities on account of certain tax credits for earlier years. The amount of refund was earlier recorded as a liability pending receipt of certain documents from tax authorities. During the current year, on receipt of the required documentation from tax authorities, the Company recorded the refund received including other tax provision for such assessment year aggregating to ₹1,605 million as a tax credit and the interest income amounting to ₹ 748 million on the said refund under other income in these financial statements.

Note No. 37 Other comprehensive income

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
A) Items that will not be reclassified to profit or loss		
(i) Defined benefit obligations	7.33	(26.59)
Income tax on above	(1.64)	12.66
	5.69	(13.93)
(ii) FVOCI equity investments	(93.97)	131.05
Income tax on above	20.60	(26.74)
	(73.37)	104.31
Total [A]	(67.68)	90.38
B) Items that may be reclassified to profit or loss		
(i) Cash flow hedge	142.98	502.84
Income tax on above	(3.19)	(136.92)
	139.79	365.92
(ii) Foreign currency translations	417.88	(290.75)
Income tax on above	-	-
	417.88	(290.75)
Total [B]	557.67	75.17
Total [A+B]	489.99	165.55

Note No. 38 Details of research and development expenditure incurred (charged to statement of profit and loss)

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Cost of materials consumed	69.22	164.26
Salaries, wages and bonus	255.73	244.71
Biostudy expenses	91.52	128.00
Legal and professional fees	16.58	20.04
Consumption of stores and spares	105.38	154.84
Regulatory expenses	184.20	164.20
Travelling and conveyance	7.37	8.73
Depreciation and amortisation expenses	89.59	95.45
Others	163.88	174.32
Total	983.47	1,154.55

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Note No. 39 Business combinations (including acquisitions of non controlling interest)

39.1 Business combinations

During year ended March 31, 2022:

Entity / Business Acquired	Principal Activity	Date of Acquisition	Note Reference
Chestnut Ridge Facility, New York and Portfolio of Generic Products	Manufacturing and Trading in Pharmaceutical Products	Oct 20, 2021	Refer Note A

Note A:

Strides Pharma Inc, US and Strides Pharma Global Pte Limited, Singapore, both being the wholly owned subsidiaries of the Group, acquired a portfolio of generic products and US manufacturing site at Chestnut Ridge, New York from Endo International plc for an aggregate consideration of USD 24.46 Million with effect from October 20, 2021. The Group therefore, in accordance with Ind AS 103 "Business Combinations" recorded a bargain purchase of USD 1.63 Million million being the difference in the fair value of net assets acquired and consideration paid, in accordance with the computation below.

Consideration transferred:

Particulars	₹ In Million
Cash	1,857.37
Total	1,857.37

Assets acquired and liabilities recognised at the date of acquisition:

Particulars	₹ In Million
Non-current assets (includes intangibles at fair value)	2,172.80
Current assets	330.03
Non-current liabilities	(28.32)
Current liabilities	(493.54)
Net Assets	1,980.97

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 Faimed 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.

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The gain has been recorded under the head "Exceptional items" in the Statement of Profit and Loss.

Particulars	₹ In Million
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
Gain recorded under exceptional items on attaining controlling interest	25.30

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 fair value 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
Non-current assets (includes intangibles at fair value)	415.75
Current assets	750.47
Non-current liabilities	-
Current liabilities	(1,784.79)
Net liabilities	(618.57)

39.2 Non-controlling interests, goodwill / bargain purchase on acquisition

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/bargain purchase arising on such acquisitions have been given in the below.

39.2.1 Acquisition of non-controlling interest:

During the current year, the Group has acquired the non-controlling interests in below subsidiaries, thereby, making them wholly owned subsidiaries of the Group.

- PharamPar Inc.

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
Consideration transferred	-
Less: Carrying value of non-controlling interest	2.56
Amount debited/(credited) to Capital reserve	(2.56)

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39.2.2 Calculation of goodwill / bargain purchase arising on acquisition:

Acquisitions during the year ended March 31, 2022:

₹ In Million	
Particulars	Amount
Consideration transferred	1,857.37
Fair value of net assets acquired	1,980.97
Bargain purchase arising on acquisition	(123.60)

Acquisitions during the year ended March 31, 2021:

₹ In Million	
Particulars	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)	(618.57)
Goodwill arising on acquisition	552.82

39.2.3 Goodwill arising on acquisitions pertains to the below Cash generating units

₹ In Million			
Entity	Cash generating units	31-Mar-22	31-Mar-21
Fairmed	Other regulated markets	-	552.82

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.

39.2.4 Net cash outflow on acquisition of subsidiaries / business / non-controlling interest

₹ In Million			
Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21	
Consideration paid in cash	1,857.37	-	
Net cash outflow on acquisition	1,857.37	-	

39.2.5 Impact of acquisitions on the results of the Group:

Acquisitions during 2021-22

Results from continuing operations for the year ended March 31, 2022 includes the following revenue and profit generated from the new acquisitions:

₹ In Million	
Particulars	Amount
Revenue	1,447.27
Profit / (loss) for the year	233.64

If the acquisition had occurred on April 1, 2021, the management estimates that the consolidated revenue for the group pertaining to these acquisitions would have ₹ 3,295 million and the profit would have been ₹ 257 million for the 12 months ended March 31, 2022. The pro-forma amounts are not necessarily indicative of the results that would have been occurred on date indicated or that may result in the future.

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.

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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:

₹ In Million	
Particulars	Amount
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.

Note No. 40 Discontinued operations:

The combined results of the discontinued operations of the businesses disposed-off as explained in Note 40.1, 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.

₹ In Million			
Particulars	Reference	Year ended 31-Mar-22	Year ended 31-Mar-21
Revenue		-	-
Other income		-	-
Total revenue from discontinued operations (I)		-	-
Depreciation and amortisation expense		-	-
Other expenses charged-off to the Statement of Profit and Loss		-	-
Total expenses from discontinued operations (II)		-	-
Loss from discontinued operation (III = I - II)		-	-
Gain / (loss) on disposal of:			
- investments in entities manufacturing specialty products	40.1	-	139.41
Net gain / (loss) on disposal of businesses (IV)		-	139.41
Gain / (loss) from discontinued operations before tax (V = III + IV)		-	139.41
Attributable income tax expense (VI)		-	-
Net gain / (loss) from discontinued operations after tax (V - VI)		-	139.41

Cash flows from discontinued operations

₹ In Million		
Particulars	31-Mar-22	31-Mar-21
Net cash inflows/(outflows) from operating activities	-	-
Net cash inflows/(outflows) from investing activities*	(16.39)	97.69
Net cash inflows/(outflows) from financing activities	-	-
Net cash inflows/(outflows)	(16.39)	97.69

* Including cash flow on disposal of assets and liabilities of the discontinued operations

40.1 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.

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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").

40.1.1 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 previous year, Mylan had 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	
	31-Mar-22	31-Mar-21
Gain/(Loss) on settlement of contingencies attributable to the discontinued operations (net)	-	139.41
Profit before tax from discontinued operations	-	139.41

Cash flows from discontinued operations

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Net cash inflows/(outflows) from operating activities	-	-
Net cash inflows/(outflows) from investing activities	(16.39)	97.69
Net cash inflows/(outflows) from financing activities	-	-
Net cash inflows/(outflows)	(16.39)	97.69

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40.2 Sale of Pharmapar business:

During the year, the Group completed the divestment of its business held under Pharmapar Inc., Canada, for consideration of CAD 0.63 million. The net loss of ₹ 154.37 million arising from the transaction has been recorded as Exceptional item in the statement of profit & loss for the year ended 31 March, 2022.

(a) Consideration received

Particulars	₹ In Million
	Total
Consideration received in cash	26.08
Deferred consideration	11.54
Total consideration	37.62

(b) Carrying value of asset and liabilities as on the date of disposal

Particulars	₹ In Million
	Total
Non-current assets	100.01
Current assets	91.98
Non-current liabilities	-
Current liabilities	-
Net assets disposed off	191.99

(c) Loss on disposal

Particulars	₹ In Million
	Year ended 31-Mar-22
Total Consideration	37.62
Net assets disposed off	(191.99)
Loss on disposal	(154.37)

(d) Net cash inflow on disposal

Particulars	₹ In Million
	Year ended 31-Mar-22
Consideration received in cash	26.08
Net Cash inflow	26.08

40.3 Sale of Investment in an associate

During the year, the Group divested its investment held in Juno OTC, Canada, for consideration of CAD 1.72 million. The net gain of ₹ 27.79 million arising from the transaction has been recorded as Exceptional item in the statement of profit & loss for the year ended 31 March, 2022.

Note No. 41 Commitments

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Estimated amount of contracts remaining to be executed on capital account (Tangible and Intangible assets) and not provided for (net of advances)	367.74	499.50

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Note No. 42 Contingent liabilities (to the extent not provided for)

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
a) Claims against the Group not acknowledged as debt		
- 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.	1,740.14	1,664.77
- 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.	588.01	588.01
b) Corporate Guarantees	9,419.83	6,188.52

(i) In light of the judgment 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.

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 Group'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	
	31-Mar-22	31-Mar-21
A) Segment Revenue		
a) Pharmaceutical business	30,702.50	33,158.70
b) Bio-pharmaceutical business	-	-
Revenue from operations	30,702.50	33,158.70
B) Segment results		
(i) Profit/ (loss) before exceptional items and tax		
a) Pharmaceutical business	(2,978.76)	3,299.05
b) Bio-pharmaceutical business	-	-
	(2,978.76)	3,299.05
(ii) Exceptional items - net gain / (loss)		
a) Pharmaceutical business	(2,967.51)	110.53
b) Bio-pharmaceutical business	529.26	323.00
	(2,438.25)	433.53

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Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
(iii) Share of loss of joint ventures and associates		
a) Pharmaceutical business	(250.62)	(399.42)
b) Bio-pharmaceutical business	(857.50)	(578.77)
	(1,108.12)	(978.19)
(iv) Profit/ (loss) before tax		
a) Pharmaceutical business	(6,196.89)	3,010.16
b) Bio-pharmaceutical business	(328.24)	(255.77)
Profit/ (loss) before tax [i+ii+iii]	(6,525.13)	2,754.39
Tax expense	(1,782.63)	316.51
(v) Profit/(loss) after tax from continuing operations	(4,742.50)	2,437.88

Segment assets and liabilities

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
i) Segment Assets		
a) Pharmaceutical business	65,139.56	65,175.14
b) Bio-pharmaceutical business	4,619.06	4,975.06
Total Segment Assets	69,758.62	70,150.20
ii) Segment Liabilities		
a) Pharmaceutical business	45,925.46	42,002.87
b) Bio-pharmaceutical business	-	7.31
Total Segment Liabilities	45,925.46	42,010.18

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):

Particulars	₹ In Million	
	For the year ended	
	31-Mar-22	31-Mar-21
North America	12,058.99	16,458.90
Australia	3,174.77	2,452.86
Africa	5,707.41	5,203.26
Europe	6,768.55	7,295.04
India	473.47	400.74
Asia (excluding India)	1,970.59	608.17
Others	66.78	92.58
	30,220.56	32,511.55
Revenue from other sources		
Other operating revenue	481.94	647.15
Revenue from operations	30,702.50	33,158.70

Information regarding geographical non-current assets is as follows*:

Particulars	₹ In Million	
	As at	
	31-Mar-22	31-Mar-21
Africa	2,367.93	2,485.17
Australia	34.49	38.32
Asia (excluding India)	7,814.43	7,723.35
North America	5,631.40	5,147.22
Europe	2,430.27	2,700.68
India	15,181.67	15,963.15
Total	33,460.19	34,057.89

* Non current assets are excluding financial instruments and deferred tax assets.

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Note No. 44 The 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 gain of ₹ 19.22 Million (previous year: exchange fluctuation loss of ₹ 2.24 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 Nil Million (previous year USD 0.20 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 of ₹ Nil Million for the year ended March 31, 2022 (previous year exchange fluctuation gain: ₹ 4.08 Million) arising out of reinstatement of such loans has been accumulated in foreign currency translation reserve through other comprehensive income. The entire loan has been repaid during the previous year.

Note No. 45 Share-based payments

Details of the employee share option plan of the Company:

- (a) 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 67,500 options (Previous year: 25,000) under this scheme during the current year.
- (b) During the current year, Employee compensation costs of ₹ 12.71 Million (for the year ended March 31, 2021: ₹ 15.22 Million) relating to the above referred 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 X and ESOP 2016 Lot XI, is ₹ 359.42 and ₹ 271.55 respectively. 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	ESOP 2016 Lot X	ESOP 2016 Lot XI
No. of options	25,000	42,500
Grant date share price	₹ 798.60	₹ 607.70
Exercise price	₹ 599.00	₹ 455.80
Expected volatility	39.06%	38.26%
Option life	3 years	3 years
Expected Dividend %	20.00%	20.00%
Risk-free interest rate	6.023%	6.223%

Employee stock options details as on the balance sheet date are as follows:

Particulars	During the year 2021-22		During the year 2020-21	
	Options (No's)	Weighted average exercise price per option (₹)	Options (No's)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:	2,45,900	348.79	4,21,200	346.86
Granted during the year:	67,500	508.84	25,000	311.00
Exercised during the year**:	(1,22,750)	294.80	(1,15,500)	302.97
Lapsed/ cancelled during the year:	(55,400)	621.49	(84,800)	426.17

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Particulars	During the year 2021-22		During the year 2020-21	
	Options (No's)	Weighted average exercise price per option (₹)	Options (No's)	Weighted average exercise price per option (₹)
Options outstanding at the end of the year*:	1,35,250	393.98	2,45,900	348.79
Options available for grant:	25,90,700	-	26,02,800	-

* Includes options vested but not exercised as at March 31, 2022 ESOP 2016: 35,250 (March 31, 2021: 57,150)

** Includes options exercised but shares are not allotted as at March 31, 2022 ESOP 2016: 13,500 (March 31, 2021: Nil)

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 Nil options (Previous year: 72,966) under this scheme during the current year.

During the current year, Employee compensation cost reversal of ₹ 19.80 Million (cost for the year ended March 31, 2021: ₹ 52.80 Million) relating to the Plan have been recorded in the Statement of Profit and Loss on account of final settlement of the Phantom units granted previous year.

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 ₹ 188.37 Million (previous year: ₹ 161.32 Million) (including costs debited to discontinued operations) for provident fund contributions, ₹ 2.35 Million (previous year: ₹ 2.88 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.

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The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at	
	31-Mar-22	31-Mar-21
Discount rate(s)	6.41% - 6.91%	6.06% - 6.58%
Expected rate(s) of salary increase	10%	10%
Mortality Rate	As per IALM (2012-14) ultimate	
Retirement age (years)	58 years	58 years

Amounts recognised in respect of these defined benefit plans are as follows:

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Service cost:		
Current service cost	68.07	55.71
Net interest expense	23.71	17.24
Components of defined benefit costs recognised in statement of profit and loss	91.78	72.95
Remeasurement on the net defined benefit liability:		
Remeasurement return on plan assets [excluding amounts included in net interest expense] (excess) / Short return	(1.97)	4.25
Actuarial (gains) / losses arising from changes in demographic assumptions	3.83	12.92
Actuarial (gains) / losses arising from changes in financial assumptions	(12.86)	(4.73)
Actuarial (gains) / losses arising from experience adjustments	3.67	14.15
Components of defined benefit costs recognised in other comprehensive income	(7.33)	26.59
Total	84.45	99.54

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	
	31-Mar-22	31-Mar-21
Present value of funded defined benefit obligation	575.73	519.11
Fair value of plan assets	(138.80)	(134.26)
Funded status	436.93	384.85
Disclosed in liabilities directly attributable to the assets held for sale	-	-
Net liability arising from defined benefit obligation	436.93	384.85

Movements in the present value of the defined benefit obligation are as follows:

Particulars	₹ In Million	
	Year ended	
	31-Mar-22	31-Mar-21
Opening defined benefit obligation	519.11	436.28
Expenses recognised in statement of profit and loss		
Current service cost	68.07	55.71
Interest cost	32.46	26.64
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	3.83	12.92
Actuarial gains and losses arising from changes in financial assumptions	(12.86)	(4.73)
Actuarial gains and losses arising from experience adjustments	3.67	14.15
Benefits paid	(38.06)	(21.86)
Acquisition/divestiture	(0.49)	-
Closing defined benefit obligation	575.73	519.11

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Movements in the fair value of the plan assets are as follows:

Particulars	₹ In Million	
	Year ended	
	31-Mar-22	31-Mar-21
Opening fair value of plan assets	134.26	141.55
Remeasurement gain / (loss):		
Remeasurement return on plan assets (excluding amounts included in net interest expense)	8.75	9.40
Contributions from the employer	22.00	2.50
Actuarial gain / (loss) on plan assets	1.97	(4.25)
Benefits paid	(28.19)	(14.94)
Closing fair value of plan assets	138.80	134.26

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 ₹ 544.75 Million (₹ 621.83 Million) as at March 31, 2022.

If the expected salary growth increases / (decrease) by 1%, the defined benefit obligation would be ₹ 611.00 Million (₹ 552.13 Million) as at March 31, 2022.

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:

Particulars	₹ In Million
	Amount
2022-23	66.02
2023-24	58.39
2024-25	58.48
2025-26	64.03
2026-27	71.43
2027-28 to 2031-32	267.16

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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	
	31-Mar-22	31-Mar-21
Gross carrying amount of assets leased	134.04	960.23
Accumulated depreciation	5.89	281.88
Future minimum lease income:		
Not later than 1 year	16.04	27.98
Later than 1 year but not later than 5 years	-	16.04
Later than 5 years	-	-
Total	16.04	44.02

Note No. 48 Earnings per share

Particulars	For the year ended	
	31-Mar-22	31-Mar-21
Basic earnings per share:		
From continuing operations	(51.28)	28.40
From discontinued operations	-	1.56
Total basic earnings per share	(51.28)	29.96
Diluted earnings per share:		
From continuing operations	(51.28)	28.37
From discontinued operations	-	1.55
Total diluted earnings per share	(51.28)	29.92

Earnings used in computing basic and diluted earnings per share

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Profit/(loss) attributable to the equity holders of the Company		
From continuing operations	(4,602.11)	2,545.01
From discontinued operations	-	139.41
Total operations	(4,602.11)	2,684.42

Weighted average number of shares used as the denominator

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Weighted average number of equity shares used as denominator in calculating basic earnings per share	8,97,47,525	8,96,09,605
Adjustments for calculation of diluted earnings per share:		
- employee stock options	38,941	99,798
Weighted average number of equity shares used as denominator in calculating diluted earnings per share	8,97,86,466	8,97,09,403

Note: Potential ordinary shares are antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

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Note No. 49 Related Party Transactions : List of the Related Parties

Particulars	Fairmed
Associates	Aponia Laboratories Inc, USA Juno OTC Inc, Canada (upto June 14, 2021) Regional Bio Equivalence Centre S.C., Ethiopia Stelis Biopharma Limited, India (formerly Stelis Biopharma Private Limited) Stelis Biopharma LLC, USA (upto Jan 12, 2022) Stelis Pte. Ltd, Singapore Biolexis Private Limited, India (with effect from Jan 17, 2022) 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 Agnus Ventures LLP, India Alivira Animal Health Limited, India Atma Projects, India Aurore Life Sciences Private Limited, India Aurore Pharmaceuticals Private Limited, India Axxelent Pharma Science Private Ltd, India Biolexis Pte. Ltd., Singapore Brooks Steriscience Limited, India Chayadeep Properties Private Limited, India Dairy Power Limited, India Hydra Active Pharma Sciences Private Limited, India (formerly Tenshi Active Pharma Private Limited) Karuna Healthcare Private Limited, India Karuna Business Solutions LLP, India Lifecell International Private Limited, India Naari Pharma Private Limited, India Naari Pte Ltd., Singapore SeQuent Scientific Limited, India (upto September 8, 2020) SeQuent Research Limited, India (upto September 8, 2020) Shasun USA Inc, USA Shasun Enterprises LLP (Formerly known as Devendra Estates LLP) Six Rays LLP, India Six Rays Pharma Solutions LLP, India Six Rays Pte. Limited, Singapore Six Rays Holdings Pte. Ltd., Singapore Solara Active Pharma Sciences Limited, India Steriscience Specialities Private Limited, India Steribrooks Penems Private Limited Steriscience BV, Netherland Steriscience Pte Ltd Tenshi Kaizen Private Limited, India Tenshi Kaizen Pharma Pte Ltd, Singapore Tenshi Life Sciences Private Limited, India Tenshi Life Sciences Pte. Limited, Singapore 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 Pvt Ltd White Crow Research Private Limited, India

Notes

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Particulars	Fairmed
Joint Ventures (JV)	Sihuan Strides (HK) Ltd, Hongkong (49%)
Key Management Personnel (KMP)	Mr. Arun Kumar, Chairman and Non-Executive Director (with effect from April 1,2020) Dr. R Ananthanarayanan, Managing Director and CEO (upto March 31, 2022) Mr. Badree Komandur, Executive Director - Finance and Group CFO Mr. Deepak Vaidya, Non-Executive Director Mr. Bharat D Shah, Independent Director Mr. S.Sridhar, Independent Director Dr. Kausalya Santhanam, Independent Director Mr. Homi Rustam Khusrokhan, 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 31-Mar-22	As at 31-Mar-21	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-22	As at 31-Mar-21
Other Financial Assets (Liabilities) and Other Assets (Liabilities):						
1 Naari Pharma Private Limited	-	-	-	-	0.36	3.47
2 Shasun USA Inc	-	-	-	-	42.49	42.62
3 Sihuan Strides (HK) Limited	(114.59)	(110.40)	-	-	-	-
4 Solara Active Pharma Sciences Limited	-	-	-	-	20.31	23.15
5 Stelis Biopharma Limited	12.62	(7.31)	-	-	-	-
6 Stelis Biopharma LLC	-	4.42	-	-	-	-
7 Strides Consumer Private Limited	22.47	12.32	-	-	-	-
8 Strides Consumer LLC	35.77	25.42	-	-	-	-
9 Strides Global Consumer Healthcare Limited	7.25	1.21	-	-	-	-
10 Tenshi Life Sciences Private Limited	-	-	-	-	3.31	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
14 Mr. Arun Kumar	-	-	(0.20)	(1.00)	-	-
15 Dr. R Ananthanarayanan	-	-	111.90	(18.00)	-	-
16 Mr. Deepak Vaidya	-	-	(0.10)	(1.19)	-	-
17 Mr. S.Sridhar	-	-	(0.10)	(1.19)	-	-
18 Mr. Homi Rustam Khusrokhan	-	-	(0.10)	(1.19)	-	-
19 Mr. Bharat D Shah	-	-	(0.10)	(1.19)	-	-
20 Mr. Badree Komandur	-	-	-	(3.75)	-	-
21 Dr. Kausalya Santhanam	-	-	(0.10)	(1.52)	-	-
Loans receivable as at:						
1 Juno OTC Inc.	-	73.84	-	-	-	-
2 Strides Consumer Private Limited	30.00	30.00	-	-	-	-
Balance of deposits paid:						
1 Atma Projects	-	-	-	-	69.96	69.96
2 Chayadeep Properties Private Limited	-	-	-	-	21.88	33.23
Balance of deposits received:						
1 Solara Active Pharma Sciences Limited	-	-	-	-	7.20	7.20
2 Karuna Healthcare Private Limited	-	-	-	-	0.05	-

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forming part of the consolidated financial statements for the year ended March 31, 2022

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 31-Mar-22	As at 31-Mar-21	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-22	As at 31-Mar-21
3 Tenshi Life Sciences Private Limited	-	-	-	-	0.05	-
4 Tenshi Pharmaceuticals Private Limited	-	-	-	-	0.05	-
Balance of (trade payables) net of advance paid as at:						
1 Atma Projects	-	-	-	-	(16.98)	(8.19)
2 Aurore Life Sciences Private Limited	-	-	-	-	(202.24)	(161.70)
3 Aurore Pharmaceuticals Private Limited	-	-	-	-	(144.40)	(23.75)
4 Chayadeep Properties Private Limited	-	-	-	-	(2.44)	(3.86)
5 Devendra Estates LLP	-	-	-	-	-	(0.28)
6 Juno OTC Inc.	-	(3.34)	-	-	-	-
7 Naari Pharma Private Limited	-	-	-	-	3.40	-
8 Naari Pte Ltd.	-	-	-	-	(7.68)	-
9 Solara Active Pharma Sciences Limited	-	-	-	-	(1,159.58)	(1,693.24)
10 Stelis Biopharma Limited	(0.73)	-	-	-	-	-
11 Strides Consumer Private Limited	(0.22)	(1.25)	-	-	-	-
12 Strides Global Consumer Healthcare Limited	(1.25)	(1.38)	-	-	-	-
13 Tenshi Kaizen Private Limited	-	-	-	-	(8.18)	(0.14)
14 Tenshi Life Sciences Private Limited	-	-	-	-	(0.56)	-
Balance of trade receivables (net of advance received) as at:						
1 Alivira Animal Health Limited	-	-	-	-	-	1.18
2 Aurore Life Sciences Private Limited	-	-	-	-	0.16	0.11
3 Axxelent Pharma Science Private Ltd	-	-	-	-	0.01	-
4 Biolaxis Pte Ltd	-	-	-	-	0.15	0.33
5 Brooks Steriscience Limited	-	-	-	-	0.41	-
6 Karuna Healthcare Private Limited	-	-	-	-	0.02	-
7 Dairy Power Limited	-	-	-	-	-	2.14
8 Juno OTC Inc.	-	2.03	-	-	-	-
9 Naari Pharma Private Limited	-	-	-	-	29.02	32.33
10 Sihuan Strides (HK) Ltd	43.40	35.69	-	-	-	-
11 Six Rays Llp	-	-	-	-	0.06	-
12 Six Rays Pharma Solutions	-	-	-	-	0.06	0.80
13 Six Rays Pte. Limited	-	-	-	-	0.49	2.77
14 Sixrays Holdings Pte Ltd	-	-	-	-	0.26	-
15 Solara Active Pharma Sciences Limited	-	-	-	-	14.98	18.51
16 Stelis Biopharma Limited	29.99	0.02	-	-	-	-
17 Stelis Pte Ltd	3.69	0.33	-	-	-	-
18 Steribrooks Penems Private Limited	-	-	-	-	0.09	0.08
19 Steriscience BV	-	-	-	-	-	0.33
20 Steriscience Pte Ltd	-	-	-	-	2.77	8.38
21 Steriscience Specialties Private Limited	-	-	-	-	1.39	1.34
22 Strides Consumer Private Limited	14.78	12.97	-	-	-	-
23 Strides Global Consumer Healthcare Limited	0.12	1.85	-	-	-	-
24 Strides Consumer LLC	8.90	23.37	-	-	-	-
25 Tenshi Kaizen Private Limited	-	-	-	-	12.39	0.99
26 Tenshi Kaizen Pharma Pte Ltd	-	-	-	-	0.18	0.33
27 Tenshi Kaizen USA Inc	-	-	-	-	1.32	1.21
28 Tenshi Life Sciences Pte ltd	-	-	-	-	0.15	0.33
29 Tenshi Life Sciences Private Limited	-	-	-	-	-	12.32

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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 31-Mar-22	As at 31-Mar-21	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-22	As at 31-Mar-21
30 Tenshi Pharmaceuticals Private Limited	-	-	-	-	0.25	0.18
31 Triphase Pharmaceuticals Pvt Ltd	-	-	-	-	-	0.04
32 Velbiom Probiotics Private Limited	-	-	-	-	0.58	0.58

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 31-Mar-22	Year Ended 31-Mar-21	Year Ended 31-Mar-22	Year Ended 31-Mar-21	Year Ended 31-Mar-22	Year Ended 31-Mar-21
Sales of materials/services (net of returns)						
1 Juno OTC Inc.	6.38	0.32	-	-	-	-
2 Steriscience Pte Limited	-	-	-	-	90.49	-
3 Stelis Biopharma Limited	0.01	-	-	-	-	-
4 Sihuan Strides (HK) limited	7.44	35.81	-	-	-	-
5 Six Rays Pte. Limited	-	-	-	-	-	352.23
6 Solara Active Pharma Sciences Limited	-	-	-	-	0.01	-
7 Steriscience Specialties Private Ltd	-	-	-	-	0.08	0.02
8 Strides Consumer LLC	46.53	92.64	-	-	-	-
9 Strides Consumer Private Limited	8.12	10.46	-	-	-	-
10 Strides Global Consumer Healthcare Limited	3.64	0.69	-	-	-	-
11 Tenshi Kaizen Private Limited	-	-	-	-	-	0.01
12 Tenshi Pharmaceuticals Private Limited	-	-	-	-	0.05	0.03
Sale of Property, plant and equipment						
1 Tenshi Kaizen Private Limited	-	-	-	-	3.20	-
2 Stelis Biopharma Limited	-	2.93	-	-	-	-
Sale of Investment property						
1 Karuna Business Solutions LLP	-	-	-	-	630.00	-
Guarantee Commission received	-	-	-	-	-	-
1 Stelis Biopharma Limited	52.16	41.31	-	-	-	-
Rental income						
1 Solara Active Pharma Sciences Limited	-	-	-	-	15.18	15.24
2 Karuna Health Care Private Limited	-	-	-	-	0.01	-
3 Stelis Biopharma Limited	0.01	-	-	-	-	-
4 Tenshi Life Sciences Private Limited	-	-	-	-	0.01	-
5 Tenshi Pharmaceuticals Private Limited	-	-	-	-	0.01	-
6 Strides Consumer Private Limited	0.89	0.96	-	-	-	-
Interest income						
1 Juno OTC Inc.	0.56	4.96	-	-	-	-
2 Strides Consumer Private Limited	3.00	3.00	-	-	-	-
Support service income						
1 Agnus Capital LLP	-	-	-	-	-	1.60
2 Alivira Animal Health Limited	-	-	-	-	-	16.75

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forming part of the consolidated financial statements for the year ended March 31, 2022

₹ 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 31-Mar-22	Year Ended 31-Mar-21	Year Ended 31-Mar-22	Year Ended 31-Mar-21	Year Ended 31-Mar-22	Year Ended 31-Mar-21
3 Aurore Life Sciences Private Limited	-	-	-	-	0.05	0.52
4 Axxlent Pharma Science Pvt Ltd	-	-	-	-	0.08	-
5 Biolexis Pte Ltd	-	-	-	-	0.31	0.33
6 Brooks Steriscience Private Limited	-	-	-	-	0.35	-
7 Dairy Power Limited	-	-	-	-	1.20	1.82
8 Hydra Active Pharma Science Private Limited	-	-	-	-	0.75	-
9 Naari Pharma Private Limited	-	-	-	-	24.10	23.14
10 Naari Pharma Pte Limited	-	-	-	-	-	0.39
11 Shasun USA Inc	-	-	-	-	13.28	17.37
12 Six rays LLP	-	-	-	-	0.60	-
13 Six Rays Pharma Solutions Llp	-	-	-	-	0.61	1.50
14 Six Rays Pte. Limited	-	-	-	-	0.31	0.33
15 Sixrays Holdings Pte Ltd	-	-	-	-	0.26	-
16 Solara Active Pharma Sciences Limited	-	-	-	-	107.99	93.48
17 Stelis Biopharma Limited	85.43	23.37	-	-	-	-
18 Stelis Pte Ltd	3.36	0.33	-	-	-	-
19 Steribrooks Penems Private Limited	-	-	-	-	1.48	0.77
20 Steriscience BV	-	-	-	-	0.07	0.33
21 Steriscience Pte Ltd	-	-	-	-	8.06	8.33
Support service income						
22 Steriscience Specialties Private Ltd	-	-	-	-	13.92	3.42
23 Strides Consumer LLC	5.77	8.53	-	-	-	-
24 Strides Consumer Private Limited	6.29	3.80	-	-	-	-
25 Strides Global Consumer Healthcare Limited	5.15	4.83	-	-	-	-
26 Tenshi Kaizen Private Limited	-	-	-	-	24.82	14.74
27 Tenshi Kaizen Pharma Pte Ltd	-	-	-	-	0.08	0.33
28 Tenshi Kaizen USA Inc	-	-	-	-	0.45	1.88
29 Tenshi Life Science Pte Ltd	-	-	-	-	0.31	0.33
30 Tenshi Life Sciences Private Limited	-	-	-	-	38.36	39.82
31 Tenshi Pharmaceuticals Private Limited	-	-	-	-	2.45	2.70
32 Triphase Pharmaceuticals Pvt Ltd	-	-	-	-	0.48	0.48
33 Velbiom Probiotics Private Limited	-	-	-	-	1.40	1.20
Support service expense						
1 Strides Consumer Private Limited	1.19	1.08	-	-	-	-
Purchase of materials/services						
1 Aurore Life Sciences Private Limited	-	-	-	-	245.03	295.79
2 Aurore Pharmaceuticals Private Limited	-	-	-	-	336.60	28.74
3 Naari Pharma Private Limited	-	-	-	-	3.44	-
4 Naari Pte Ltd.	-	-	-	-	10.91	-
5 SeQuent Research Limited	-	-	-	-	-	0.08
6 Solara Active Pharma Sciences Limited	-	-	-	-	1,109.05	2,556.92
7 Stelis Biopharma Limited	46.03	-	-	-	-	-

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 31-Mar-22	Year Ended 31-Mar-21	Year Ended 31-Mar-22	Year Ended 31-Mar-21	Year Ended 31-Mar-22	Year Ended 31-Mar-21	
8	Strides Global Consumer Healthcare Limited	8.78	4.59	-	-	-	-
9	Tenshi Kaizen Private Limited	-	-	-	-	19.42	0.12
10	Lifecell International Pvt. Ltd	-	-	-	-	-	0.74
11	White Crow Research Private Limited	-	-	-	-	-	1.09
Purchase / (returns) of Intangibles							
1	Stelis Biopharma Limited	(7.31)	7.31	-	-	-	-
Short Term Employee Benefits paid to (Refer note (i) below)							
1	Mr. Arun Kumar	-	-	-	6.27	-	-
2	Dr. R Ananthanarayanan	-	-	88.85	177.32	-	-
3	Mr. Badree Komandur	-	-	46.05	41.26	-	-
4	Ms. Manjula Ramamurthy	-	-	7.63	4.72	-	-
Employee stock option expenses							
1	Mr. Badree Komandur	-	-	0.24	0.93	-	-
2	Ms. Manjula Ramamurthy	-	-	0.05	0.19	-	-
Sitting Fees paid to							
1	Mr. Arun Kumar	-	-	0.80	0.50	-	-
1	Dr. Kausalya Santhanam	-	-	3.09	3.26	-	-
2	Mr. Deepak Vaidya	-	-	1.30	1.70	-	-
3	Mr. S.Sridhar	-	-	1.30	1.70	-	-
4	Mr. Homi Rustam Khusrokhan	-	-	1.30	1.70	-	-
5	Mr. Bharat D Shah	-	-	1.20	1.70	-	-
Remuneration to Non-executive directors							
1	Mr. Arun Kumar	-	-	-	1.00	-	-
2	Mr. Deepak Vaidya	-	-	-	1.00	-	-
3	Dr. Kausalya Santhanam	-	-	-	1.00	-	-
4	Mr. S.Sridhar	-	-	-	1.00	-	-
5	Mr. Homi Rustam Khusrokhan	-	-	-	1.00	-	-
6	Mr. Bharat D Shah	-	-	-	1.00	-	-
Lease Payments							
1	Atma Projects	-	-	-	-	90.32	85.21
2	Chayadeep Properties Private Limited	-	-	-	-	37.91	40.65
3	Shasun Enterprises LLP	-	-	-	-	2.29	3.32
Reimbursement of expenses incurred on behalf of							
1	Juno OTC Inc.	-	0.04	-	-	-	-
2	Agnus Ventures LLP	-	-	-	-	0.09	-
3	Chayadeep Properties Private Limited	-	-	-	-	0.30	-
4	Naari Pharma Private Limited	-	-	-	-	0.16	0.11
5	Solara Active Pharma Sciences Limited	-	-	-	-	0.01	23.82
6	Stelis Biopharma LLC	3.68	5.28	-	-	-	-
7	Stelis Biopharma Limited	3.96	2.73	-	-	-	-
8	Steriscience Pte Limited	-	-	-	-	9.18	-
9	Steriscience Specialties Private Ltd	-	-	-	-	0.00	0.79
10	Strides Consumer Private Limited	13.05	20.61	-	-	-	-
11	Strides Consumer LLC	8.08	4.41	-	-	-	-

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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 31-Mar-22	Year Ended 31-Mar-21	Year Ended 31-Mar-22	Year Ended 31-Mar-21	Year Ended 31-Mar-22	Year Ended 31-Mar-21	
12	Strides Global Consumer Healthcare Limited	9.41	5.68	-	-	-	-
13	Tenshi Life Sciences Private Limited	-	-	-	-	-	13.41
14	Tenshi Kaizen Private Limited	-	-	-	-	-	0.00
15	Tenshi Kaizen USA Inc	-	-	-	-	1.38	2.52
Reimbursement of expenses incurred by							
1	Aurore Life Sciences Private Limited	-	-	-	-	0.04	0.09
2	Chayadeep Properties Private Limited	-	-	-	-	1.22	-
3	Juno OTC Inc.	0.53	0.39	-	-	-	-
4	Solara Active Pharma Sciences Limited (Refer note ii below)	-	-	-	-	98.13	167.62
5	Strides Consumer Private Limited	-	0.05	-	-	-	-
6	Tenshi Kaizen USA Inc	-	-	-	-	6.35	-
7	Strides Global Consumer Healthcare Limited	3.77	-	-	-	-	-
Lease deposit received							
1	Tenshi Life Sciences Private Limited	-	-	-	-	0.05	-
2	Karuna Health Care Private Limited	-	-	-	-	0.05	-
3	Tenshi Pharmaceuticals Private Limited	-	-	-	-	0.05	-
Lease deposit Paid/ (refund)							
1	Chayadeep Properties Private Limited	-	-	-	-	(11.35)	-
Investments during the year							
1	Strides Global Consumer Healthcare Limited	-	165.03	-	-	-	-
2	Stelis Biopharma Limited	51.06	2,369.95	-	-	-	-
Investments sold to							
1	Strides Global Consumer Healthcare Limited	-	162.80	-	-	-	-

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.

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	
				31-Mar-22	31-Mar-21
1	Altima Innovations Inc.	Trading in pharmaceutical products	USA	100.00%	100.00%
2	Apollo Life sciences Holdings 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%

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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	
				31-Mar-22	31-Mar-21
4	Arrow Life Sciences (Malaysia) SDN. BHD.	Trading in pharmaceutical products	Malaysia	100.00%	100.00%
5	Arrow Pharma Pte. Ltd.	Investment Holding	Singapore	100.00%	100.00%
6	Arrow Pharma (Private) Limited*	Trading in pharmaceutical products	Sri Lanka	0.00%	100.00%
7	Arrow Pharma Life Inc.*	Trading in pharmaceutical products	Philippines	0.00%	100.00%
8	Beltapharm S.P.A	Manufacturing and trading in pharmaceutical products	Italy	97.94%	97.94%
9	Eris Pharma GmbH	Trading in Pharmaceutical products	Germany	70.00%	70.00%
10	Fair-Med Healthcare AG	Trading in Pharmaceutical products	Switzerland	70.00%	70.00%
11	Fairmed Healthcare GmbH	Trading in Pharmaceutical products	Germany	70.00%	70.00%
12	Generic Partners (International) Pte. Ltd#	Supplying and distributing generic pharmaceutical products	Singapore	0.00%	100.00%
13	Generic Partners (Canada) Inc*	Supplying and distributing generic pharmaceutical products	Canada	0.00%	100.00%
14	Generic Partners UK Ltd	Supplying and distributing generic pharmaceutical products	UK	100.00%	100.00%
15	Generic Partners (R&D) Pte Limited#	Development of pharmaceutical products	Singapore	0.00%	100.00%
16	PharmaPar Inc.	Trading in pharmaceutical products	Canada	100.00%	80.00%
17	Shasun Pharma Solutions Inc.*	Trading in pharmaceutical products	USA	0.00%	100.00%
18	Stabilis Pharma Inc.	Trading in pharmaceutical products	USA	100.00%	100.00%
19	Stelis Biopharma (Malaysia) SDN. BHD	Develop, manufacture, market and trade in pharmaceutical and ancillary products	Malaysia	100.00%	100.00%
20	Strides Arcolab International Ltd.	Investment Holding	UK	100.00%	100.00%
21	Strides CIS Limited	Trading in pharmaceutical products	Cyprus	100.00%	100.00%
22	Strides Foundation Trust	Carrying out Social Responsibility activities	India	-	-
23	Strides LifeSciences Limited	Trading in pharmaceutical products	Nigeria	100.00%	100.00%
24	Strides Netherlands B.V.	Trading in pharmaceutical products	Netherlands	100.00%	100.00%
25	Strides Nordics ApS	Trading in pharmaceutical products	Denmark	100.00%	100.00%
26	Strides Pharma (Cyprus) Limited	Trading in pharmaceutical products	Cyprus	100.00%	100.00%
27	Strides Pharma (SA) Pty Ltd.	Trading in pharmaceutical products	South Africa	60.00%	60.00%
28	Strides Pharma Global (UK) Ltd.	Investment Holding	UK	100.00%	100.00%
29	Strides Pharma Asia Pte. Ltd.	Investment Holding	Singapore	100.00%	100.00%
30	Strides Pharma Science Pty Ltd	Trading in pharmaceutical products	Australia	100.00%	100.00%
31	Strides Pharma Canada Inc.	Trading in pharmaceutical products	Canada	100.00%	100.00%
32	Strides Pharma Global Pte. Limited	Develop, manufacture, market and trade in pharmaceutical and ancillary products	Singapore	100.00%	100.00%
33	Strides Pharma Inc.	Manufacturing and trading in pharmaceutical products	USA	100.00%	100.00%
34	Strides Pharma International Limited	Investment Holding	Cyprus	100.00%	100.00%
35	Strides Pharma UK Ltd.	Trading in pharmaceutical products	UK	100.00%	100.00%
36	Strides Pharma Latina, SA De CV	Trading in pharmaceutical products	Mexico	80.00%	80.00%
37	Strides Vivimed Pte. Ltd.#	Trading in pharmaceutical products	Singapore	0.00%	100.00%
38	SVADS Holdings SA	Develop and trade in pharmaceutical products	Switzerland	100.00%	100.00%
39	Trinity Pharma (Pty) Ltd.	Registration and marketing of pharmaceutical products	South Africa	51.76%	51.76%
40	Universal Corporation Limited	Manufacturing, development and trading in pharmaceuticals products	Kenya	51.00%	51.00%

Notes

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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	
				31-Mar-22	31-Mar-21
41	Vensun Pharmaceuticals, Inc.	Develop and trade in pharmaceutical products	USA	100.00%	100.00%
42	Vivimed Life Sciences Private Limited	Manufacturing, development and trading in pharmaceuticals products	India	100.00%	100.00%

Notes

* Divested/Liquidated during the year.

Merged with Strides Pharma Global Pte. Limited (Refer note 50.2.2)

50.2 Business combination under common control

50.2.1 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.

Particulars	Date of control
Strides Emerging Market Limited	01-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.
- 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 statements, since these were already being consolidated.

50.2.2 During the year, the wholly owned subsidiaries of the group, namely, Generic Partners (International) Pte Limited, Generic Partners (R&D) Pte Limited, and Strides Vivimed Pte Limited got merged with another wholly owned subsidiary of the group, Strides Pharma Global Pte. Limited, Singapore, with effect from 1 June, 2021. The merger was approved by the Accounting and Corporate Regulatory Authority of Singapore (ACRA). The merger had no impact on Consolidated financial statements, since these entities were already being consolidated.

Notes

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Note No. 51 Financial instruments

51.1 Categories of financial instruments

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Financial assets:		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured:		
(i) Investment in Mutual funds	-	994.12
Measured at amortised cost		
(a) Cash and bank balances	1,873.52	1,797.65
(b) Loans	78.24	144.38
(c) Trade receivables	12,073.01	11,105.87
(d) Other financial assets at amortised cost	6,357.00	5,827.51
Measured at FVTOCI		
(a) Fair value of derivatives designated in a cash flow hedge	9.08	64.54
(b) Investments in certain equity instruments designated upon initial recognition	47.83	141.02
Financial liabilities:		
Measured at fair value through profit or loss (FVTPL)		
(a) Gross obligation under written put option	242.88	330.81
(b) Derivative financial liabilities	1.79	-
(c) Other financial liabilities	506.63	461.71
Measured at amortised cost		
(a) Borrowings (including current maturities of non-current borrowings)	27,919.60	21,033.88
(b) Security deposit	29.00	39.59
(c) Trade payables	10,715.24	11,342.00
(d) Unclaimed dividends	10.91	21.68
(e) Payables on purchase of property, plant and equipments and intangible assets	171.06	211.39
(f) Payables on purchase of non-current investments	114.59	110.40
(g) Lease liabilities	2,330.65	2,448.37
(h) Other financial liabilities	573.95	557.11
Measured at FVTOCI		
(a) Derivative financial liabilities	73.28	271.74

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).

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).

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Financial assets / financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31-Mar-22	31-Mar-21		
Financial assets:				
Foreign currency forward contracts designated in hedge accounting relationships (FVTOCI)	9.08	64.54	Level 2	The fair value of forward foreign contracts are determined using spot and forward exchange rates at the balance sheet date.
Investment in Mutual fund (quoted)	-	994.12	Level 1	The fair value is determined based on the Net asset value published by respective funds.
Investment in equity instruments at FVTOCI (quoted)	47.83	141.02	Level 1	The fair value of the said investment is derived based on the quoted prices on stock exchanges.
Financial liabilities:				
Gross obligation under put options	242.88	330.81	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 (a) below
Contingent consideration payable	473.63	408.91	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)	33.00	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 (FVTPL)	1.79	-	Level 2	The fair value of forward foreign contracts are determined using forward exchange rates at the balance sheet date.
Foreign currency forward contracts designated in hedge accounting relationships (FVTOCI)	3.84	-	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)	69.44	271.74	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:

- a) 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.

Reconciliation of Level 3 fair value measurements

a) Gross obligation under put options

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Opening balance	330.81	82.37
Add: Payable on new acquisitions	-	223.01
Less: Exercise of put options	(95.00)	-
Add: Cancellation / losses in the statement of profit and loss	9.11	12.05
Add: Currency translations in other comprehensive income	(2.04)	13.38
Closing balance	242.88	330.81

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b) Contingent consideration payable

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Opening balance	408.91	535.72
Disposal / settlements	(26.43)	(185.99)
Add: Unwinding of discounting in the statement of profit and loss	74.63	74.35
Less: Currency translations in other comprehensive income	16.52	(15.17)
Closing balance	473.63	408.91

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 amortized cost will reasonably approximate their fair values.

Particulars	₹ In Million			
	31-Mar-22		31-Mar-21	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Loans receivable	78.24	78.24	144.38	144.38
Security deposit	380.70	407.51	284.89	307.36
Financial liabilities				
Borrowings	27,919.60	27,978.73	21,033.88	21,130.01

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 minimize 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 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.

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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 (USD in Million)	Nominal amounts (₹ in Million)	Fair value assets (liabilities) (₹ in Million)	
As at March 31, 2022						
Sell AUD						
	Less than 3 months	Forecasted sales	57.64	6.00	345.84	348.86
	3 to 6 months		57.13	6.00	342.78	338.94
	6 to 12 months		59.23	12.00	704.40	710.46
Total				1,393.02	1,398.26	
As at March 31, 2021						
Sell USD						
	Less than 3 months	Forecasted sales	77.01	15.00	1,155.28	1,208.78
Sell GBP						
	6 to 12 months	Forecasted sales	106.67	6.00	640.04	651.08
Total				1,795.32	1,859.86	

The line-items in the Consolidated balance sheet that include the above hedging instruments are “Other financial assets”.

Contracts not designated in a cash flow hedge

Outstanding contracts	Average exchange rate*	Foreign currency (USD in Million)	Nominal amounts (₹ in Million)	Fair value assets (liabilities) (₹ in Million)
As at March 31, 2022				
Trade payable hedged with forward contract with maturity less than 3 months	15.17	0.50	39.05	37.26
Total			39.05	37.26

* Average exchange rate of ZAR per USD

The details of unhedged foreign currency exposure are as follows:

Amount receivable/(payable)	₹ In Million			
	As at 31-Mar-22		As at 31-Mar-21	
Exposure to the Currency	in foreign Currency	in INR	in foreign Currency	in INR
USD	(7.28)	(552.75)	(19.65)	(1,437.62)
AUD	118.67	6,740.61	105.53	5,865.05
EUR	12.02	1,009.95	5.61	481.72
GBP	13.43	1,339.80	(0.17)	(17.12)
SGD	(27.17)	(1,522.13)	(29.27)	(1,591.85)
Others	2.63	165.74	3.80	226.53

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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 Rs. is given below:

Particulars	₹ In Million			
	Increase / (decrease) in profit		Increase / (decrease) in equity	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Appreciation in the USD	(27.64)	(71.88)	(16.04)	(52.34)
Depreciation in the USD	27.64	71.88	16.04	52.34
Appreciation in the EUR	50.50	24.09	34.69	17.30
Depreciation in the EUR	(50.50)	(24.09)	(34.69)	(17.30)
Appreciation in the AUD	337.03	293.25	254.90	234.61
Depreciation in the AUD	(337.03)	(293.25)	(254.90)	(234.61)
Appreciation in the GBP	66.99	(0.86)	37.56	(6.93)
Depreciation in the GBP	(66.99)	0.86	(37.56)	6.93

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.

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 ₹ 279.79 Million (Previous year : ₹ 211.30 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.

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(a) Contracts designated in a cash flow hedge

Borrowing in USD floating rate swapped for repayment in USD fixed rate at March 31, 2022:

Outstanding contracts	Average contracted fixed interest rate	₹ In Million	
		Nominal amounts	Fair value assets (liabilities)
Less than 1 year	6.17%	1,003.04	985.48
1 to 2 years		759.30	742.00
2 to 5 years		1,518.60	1,484.02
5 years +		-	-
Total		3,280.94	3,211.50

Borrowing in USD floating rate swapped for repayment in USD fixed rate at March 31, 2021:

Outstanding contracts	Average contracted fixed interest rate	₹ In Million	
		Nominal amounts	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 +		-	-
Total		4,184.83	3,913.09

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.

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, 2022 would increase/decrease by ₹ 2.39 Million (for the year ended March 31, 2021: increase/decrease by ₹ 7.05 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.

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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	₹ In Million			
	31-Mar-22		31-Mar-21	
	Trade receivable	Expected credit loss allowance	Trade receivable	Expected credit loss allowance
Within Credit	10,098.76	65.72	8,558.18	116.41
Less than 180 Days	1,523.55	23.75	2,214.81	84.83
180-360 Days	256.95	40.35	61.71	10.54
360-540 Days	102.46	37.85	202.91	30.04
540-720 Days	6.47	5.67	262.44	147.54
Over 720 Days	507.06	248.90	426.00	230.82
Total	12,495.25	422.24	11,726.05	620.18

Movement in Expected credit loss allowance

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Balance at the beginning of the year	620.18	684.23
Written off during the year	(183.86)	(158.66)
Movement in Expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(14.08)	94.61
Balance at end of the year	422.24	620.18

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	₹ In Million						Total	Carrying Amount
	Due within (years)							
	1	1 to 2	2 to 3	3 to 4	4 to 5	beyond 5		
Bank and other borrowings								
- As on March 31, 2022	19,563.37	5,654.25	937.25	762.98	238.52	822.36	27,978.73	27,919.60
- As on March 31, 2021	12,208.10	1,900.35	4,716.13	1,214.18	1,091.25	-	21,130.01	21,033.88
Interest payable on borrowings								
- As on March 31, 2022	58.10	-	-	-	-	-	58.10	58.10
- As on March 31, 2021	47.85	-	-	-	-	-	47.85	47.85

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Financial liabilities	₹ In Million						Total	Carrying Amount
	Due within (years)							
	1	1 to 2	2 to 3	3 to 4	4 to 5	beyond 5		
Trade and other payable not in net debt								
- As on March 31, 2022	12,227.35	613.13	444.62	259.84	212.61	1,970.79	15,728.34	14,393.93
- As on March 31, 2021	12,714.52	472.54	405.54	376.29	284.12	2,433.17	16,686.18	15,144.40

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, 2022 is 1.09 (March 31, 2021: 0.64).

The Group is not subject to any externally imposed capital requirements.

51.8.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows.

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Debt (i)	27,919.60	21,033.88
Less:		
Investment in Mutual funds	-	994.12
Cash and bank balances	1,873.52	1,797.65
Fixed deposits with banks with more than 12 months maturity	12.91	139.79
Net Debt (A)	26,033.17	18,102.32
Total Equity (B)	23,833.16	28,140.02
Net debt to equity ratio (A/B)	1.09	0.64

(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.

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Note No. 53

(a) 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, 2022

Name of 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	43.26%	34,066.72	-27.55%	1,801.88	-55.78%	(40.22)	-27.24%	1,761.66
Indian Subsidiaries:								
Arco Lab Private Limited	0.20%	161.18	-0.48%	31.31	8.38%	6.04	-0.58%	37.35
Strides Foundation Trust	0.04%	30.67	0.01%	(0.34)	0.00%	-	0.01%	(0.34)
Vivimed Lifesciences Private Limited	0.62%	484.98	1.66%	(108.82)	1.79%	1.29	1.66%	(107.53)
Foreign Subsidiaries:								
Altima Innovations Inc.	0.00%	0.58	0.00%	(0.04)	0.00%	-	0.00%	(0.04)
Apollo Life Sciences Holdings Proprietary Limited	0.00%	-	-0.06%	4.23	0.00%	-	-0.07%	4.23
Arrow Life Sciences (Malaysia) SDN. BHD.	0.00%	(0.88)	0.00%	(0.29)	0.00%	-	0.00%	(0.29)
Arrow Pharma (Private) Limited	0.00%	-	0.00%	(0.31)	0.00%	-	0.00%	(0.31)
Arrow Pharma Life Inc.	0.00%	-	-0.02%	1.36	0.00%	-	-0.02%	1.36
Arrow Pharma Pte Limited	0.00%	0.86	0.01%	(0.98)	0.00%	-	0.02%	(0.98)
Beltapharm SpA	0.22%	176.66	0.35%	(22.77)	0.00%	-	0.35%	(22.77)
ERIS Pharma GmbH, Germany	-0.03%	(22.87)	0.07%	(4.40)	0.00%	-	0.07%	(4.40)
Fairmed Healthcare AG, Switzerland	-0.04%	(31.23)	3.41%	(223.05)	0.00%	-	3.45%	(223.05)
Fair-Med Healthcare GmbH, Germany	-2.07%	(1,633.06)	5.96%	(389.47)	0.00%	-	6.02%	(389.47)
Generic Partners R&D Pte Ltd	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Generic Partners (Canada) Inc.	0.00%	-	-0.19%	12.60	0.00%	-	-0.19%	12.60
Generic Partners (International) Pte Limited	0.00%	-	0.00%	0.10	0.00%	-	0.00%	0.10
Generic Partners UK Limited	0.05%	41.57	0.04%	(2.72)	0.00%	-	0.04%	(2.72)
Pharmapar Inc.	-0.17%	(135.05)	1.97%	(128.73)	0.00%	-	1.99%	(128.73)
Shasun Pharma Solutions Inc.	0.00%	-	-0.01%	0.70	0.00%	-	-0.01%	0.70
Stabilis Pharma Inc.	0.00%	(0.20)	0.00%	(0.24)	0.00%	-	0.00%	(0.24)
Stelis Biopharma (Malaysia) SDN. BHD.	0.12%	92.98	-0.02%	1.34	0.00%	-	-0.02%	1.34
Strides Arcolab International Limited	6.05%	4,760.64	7.33%	(479.28)	0.00%	-	7.41%	(479.28)
Strides CIS Limited	0.00%	(2.54)	0.00%	0.28	0.00%	-	0.00%	0.28

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Name of 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 Life Sciences Limited	-0.30%	(233.65)	0.87%	(56.90)	0.00%	-	0.88%	(56.90)
Strides Pharma (Cyprus) Limited	1.69%	1,334.20	-3.30%	215.90	0.00%	-	-3.34%	215.90
Strides Pharma (SA) Pty Limited	-0.05%	(40.32)	0.48%	(31.50)	0.00%	-	0.49%	(31.50)
Strides Netherlands B.V.	0.02%	17.99	-0.22%	14.42	0.00%	-	-0.22%	14.42
Strides Nordic ApS,	-0.01%	(11.36)	0.41%	(26.61)	0.00%	-	0.41%	(26.61)
Stides Pharma Science Pty Ltd	0.05%	39.35	0.36%	(23.58)	0.00%	-	0.36%	(23.58)
Strides Pharma Global (UK) Limited	1.92%	1,513.55	3.62%	(236.47)	-8.49%	(6.12)	3.75%	(242.59)
Strides Pharma Asia Pte Limited	19.16%	15,085.97	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Strides Pharma Canada Inc.	0.49%	389.42	-0.07%	4.29	0.00%	-	-0.07%	4.29
Strides Pharma Global Pte Limited	17.90%	14,093.47	75.55%	(4,940.82)	247.36%	178.37	73.63%	(4,762.45)
Strides Pharma Inc.	8.12%	6,391.46	10.77%	(704.30)	-93.26%	(67.25)	11.93%	(771.55)
Strides Pharma International Limited	1.44%	1,134.61	-0.95%	61.93	0.00%	-	-0.96%	61.93
Strides Pharma UK Limited	0.93%	735.30	3.59%	(234.86)	0.00%	-	3.63%	(234.86)
Strides Shasun Latina, SA de CV	0.02%	18.19	0.06%	(4.01)	0.00%	-	0.06%	(4.01)
Strides Vivimed Pte Limited	0.00%	-	0.01%	(0.35)	0.00%	-	0.01%	(0.35)
SVADS Holdings SA	0.55%	436.82	0.92%	(60.15)	0.00%	-	0.93%	(60.15)
Trinity Pharma Proprietary Limited	0.41%	324.93	-1.73%	113.26	0.00%	-	-1.75%	113.26
Universal Corporation Limited	0.93%	729.03	0.19%	(12.21)	0.00%	-	0.19%	(12.21)
Vensun Pharmaceuticals Inc.	-1.53%	(1,208.11)	0.03%	(2.19)	0.00%	-	0.03%	(2.19)
Indian Associates:								
Stelis Biopharma Private Limited	0.00%	-	13.11%	(857.50)	0.00%	-	13.26%	(857.50)
Strides Consumer Private Limited	0.00%	-	1.18%	(77.39)	0.00%	-	1.20%	(77.39)
Biolexis Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign Associates:								
Aponia Laboratories Inc.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Juno OTC Canada	0.00%	-	0.07%	(4.65)	0.00%	-	0.07%	(4.65)
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%	-

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forming part of the consolidated financial statements for the year ended March 31, 2022

Name of 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
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%	-	2.35%	(153.89)	0.00%	-	2.38%	(153.89)
Foreign Joint ventures:								
SiHuan Strides (HK) Limited	0.00%	-	0.22%	(14.69)	0.00%	-	0.23%	(14.69)
Total	100.00%	78,741.86	100.00%	(6,539.92)	100.00%	72.11	100.00%	(6,467.81)
a) Adjustments arising out of consolidation		(55,149.58)		1,937.81		404.93		2,342.74
b) Minority Interest in all subsidiaries:								
Foreign Subsidiaries:		240.88		(140.39)		12.95		(127.44)
Total		23,833.16		(4,742.50)		489.99		(4,252.51)

(i) 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.

(b) 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 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
Indian Subsidiaries:								
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
Foreign Subsidiaries:								
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

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forming part of the consolidated financial statements for the year ended March 31, 2022

Name of 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
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
Stides 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
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)

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Name of 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 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)
Indian Associates:								
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%	-
Foreign Associates:								
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)
Foreign Joint ventures:								
Sihuan Strides (HK) Limited	0.00%	-	-0.97%	(34.49)	0.00%	-	-0.86%	(34.49)
Total	100.00%	81,040.60	100.00%	3,570.05	100.00%	456.29	100.00%	4,026.34
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)
Total		28,140.02		2,577.29		165.55		2,742.84

(i) Share of discontinued operations included above is as follows:

Particulars	₹ 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
Total	139.41	-	139.41

(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.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note No. 54 Equity accounted investees

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Investment in associates	5,273.53	5,745.77
Investment in joint ventures	82.02	93.17
Total	5,355.55	5,838.94

Associates

(a) Stelis Biopharma Private Limited

The Group has an associate in the name of Stelis Biopharma Limited (Stelis), incorporated in India as at March 31, 2022 holding effective 37.09% (March 31, 2021: 47.90%) 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	
	31-Mar-22	31-Mar-21
Percentage ownership interest	37.09%	47.90%
Non-current assets	19,312.59	11,590.88
Current assets	5,110.97	987.19
Non-current liabilities	(6,211.81)	(3,206.85)
Current liabilities	(8,087.31)	(1,611.02)
Net assets	10,124.44	7,760.20
Group share of net assets	3,755.15	3,717.14
Carrying amount of interest in associate	4,609.50	4,886.68

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Percentage ownership interest	37.09%	47.90%
Income	1,358.61	223.95
Profit / (loss) for the year	(2,311.95)	(1,208.29)
Other comprehensive income	20.38	(9.61)
Total comprehensive income	(2,291.57)	(1,217.90)
Group share of profit / (loss)	(857.50)	(578.77)

(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, 2022 holding 53.64% (March 31, 2021: 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

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Percentage ownership interest	53.64%	53.64%
Non-current assets	1,726.50	1,852.53
Current assets	532.15	425.36
Non-current liabilities	(233.16)	(34.49)
Current liabilities	(384.23)	(256.64)
Net assets	1,641.26	1,986.75
Group share of net assets	880.37	1,065.69
Carrying amount of interest in associate	664.03	859.09

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Percentage ownership interest	53.64%	53.64%
Income	808.18	585.26
Profit / (loss) for the year	(431.17)	(633.07)
Other comprehensive income	-	0.46
Total comprehensive income	(431.17)	(632.60)
Group share of profit / (loss)	(231.28)	(339.58)

(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	
	31-Mar-22	31-Mar-21
Carrying amount of interests in associates and joint venture	82.02	93.17
Share in profit	(19.34)	(59.84)
Share in total comprehensive income	(19.34)	(59.84)

Note No. 55 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 finalizing 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 consolidated financial statements for the year ended March 31, 2022.

Note No. 56 During the year ended March 31, 2022, no material foreseeable loss (March 31, 2021: Nil) was incurred for any long-term contract. The Company has recognised a mark to market loss of ₹ 73.28 Million (derivative liability) as of 31 March 2022 (2021: ₹ 271.74 Million (derivative liability)) on its derivative instruments.

Note No. 57 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

Sampad Guha Thakurta

Partner

Membership Number 060573

Arun Kumar

Executive Chairperson and Managing Director

DIN: 00084845

Badree Komandur

Executive Director - Finance & Group CFO

DIN: 07803242

Manjula R.

Company Secretary

Membership Number A30515

Bengaluru, May 24, 2022

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 2022, 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 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 2022, and its 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of matter

1. We draw attention to Note 8 of to the standalone financial statements which states that the ability of Stelis Biopharma Limited ("the Associate") to continue as a going concern is dependent on the mitigation factors detailed in the said note which could have a consequential impact on the carrying amount of investment of ₹ 5,308.55 million in the Associate as at 31 March 2022. Further, the auditors of the Associate have, without modifying their opinion, reported a Material Uncertainty Related to Going Concern vide their report dated 24 May 2022 on the financial information of the Associate for the year ended 31 March 2022. The component auditor's opinion on the financial information of the associate is not modified in respect of the above matter.

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 ₹ 23,997.62 million) accounts for 44% of the total assets of the Company as at 31 March 2022.</p> <p>Company's assessment of impairment contains a number of parameters which involve significant judgements and estimates including revenue growth, cash flow 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. 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>We also draw attention to Note 8 of the standalone financial statements which states that the ability of Stelis Biopharma Limited ("the Associate") to continue as a going concern is dependent on the mitigation factors detailed in the said note which could have a consequential impact on the carrying amount of investment of ₹ 5,308.55 million in the Associate as at 31 March 2022. Further, the auditors of the Associate have, without modifying their opinion, reported a Material Uncertainty Related to Going Concern vide their report dated 24 May 2022 on the financial information of the Associate for the year ended 31 March 2022.</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"> • 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. • Performed a retrospective review to assess the reasonableness of Company's projections by comparing historical forecast to actual results. • Tested reasonability of projections used by the Company relating to the sales growth, operating costs, cashflow forecasts. • 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. • Tested recent financing transactions in these companies with third parties to determine the fair value of certain investments. • 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 .

Taxation

Refer Significant Accounting Policies and note 33 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 operate 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 we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> • We tested the design of internal financial controls and operating effectiveness of the relevant key controls in respect of taxation.; • We analyzed relevant correspondences with the tax authorities; and • 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. • We also considered external legal opinions and consultations made by the Company for key uncertain tax positions during current and past period.

Going Concern assessment

Refer Significant Accounting Policies to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
<p>As at 31 March 2022, the Company had net current assets position. However the group on a consolidated basis had net current liabilities (excess of current liabilities over current assets) of ₹ 498.44 million and the Company has a negative operating cash flows amounting to ₹ 2,826.85 million for the year ended March 31, 2022.</p> <p>Note 2 to the standalone financial statements explains that Management has concluded that the going concern basis is appropriate in preparing the standalone financial statements of the Company. The Company evaluated its ability to continue as a going concern based upon an assessment of the Group's cash position, assessment of the exposure with respect to the financial guarantees provided by the Company to an associate company, future cash flow forecasts, its debt repayment obligations and other commitments and its availability of financing facilities, after considering material breaches of its existing debt covenants and the related subsequent temporary relaxations obtained from the lenders for compliance with such debt covenants. This required the exercise of significant judgement, particularly in forecasting the Group's future revenues, profitability and cash flows.</p> <p>Based on their assessment, the Company concluded that there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern.</p> <p>Considering the significance of the area to the overall financial statements this was significant for our audit.</p>	<p>Our audit procedures to assess the going concern assumption and whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the Company's ability to continue as a going concern included the following audit procedures to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> • Gaining an understanding and assessing the design, implementation and operating effectiveness of Group's key internal controls over preparation of cash flow forecasts to assess its liquidity; • Comparing the forecasted statement of profit and loss and cash flows with the Group's business plan approved by the board of directors. • Evaluating the key assumptions in the cash flow forecasts with reference to historical information, current performance, future plans, and market and other external available information; • Performing sensitivity analysis on the forecasted statement of profit and loss and cash flows by considering plausible changes to the key assumptions adopted by the Company • Performing a retrospective review to assess the reasonableness of Group's past projections by comparing historical forecasts to actual results; • Assessing the availability of banking and other financing facilities by inspecting underlying documentation; • Discussion with the parent and component Management with respect to the going concern assessment of the associate and confirming the same with the Associate's report on the financial information received from the auditor of the Associate; • Evaluating management's judgment of invocation of guarantees provided to the lenders of the Associate; • Assessing the impact of any existing covenants and the related waivers and other restrictive terms therein which may impact Group's ability to raise further debts. • Assessing the adequacy of the disclosures related to application of the going concern assumption.

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 and Corporate Governance Report, but does not include the standalone financial statements and our auditor's report thereon which we have obtained prior to the date of this Auditor's Report, and the remaining sections of the Company's 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 the 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 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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 Directors² 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 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 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 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 in preparation of standalone 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 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 control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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.

2. (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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 41 to the standalone financial statements.
 - b) The Company did not have any long-term contracts including derivative contracts

for which there were any material foreseeable losses.

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

d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 50 of the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company; or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in Note 50 of the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party; or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

We refer to Note 10 of the standalone financial statements which more fully explains the decision of the Board of Directors to recover the excess remuneration paid to the Company's erstwhile Managing Director and Chief Executive Officer and corresponding recoverable of ₹ 141.90 million recorded as at 31 March 2022. In our opinion and according to the information and explanations given to us, having regard to the said note, 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) of the Act 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: 24 May 2022

Membership Number: 060573
UDIN: 22060573AJMRCL4596

Annexure A to the Independent Auditor's Report on Standalone Financial Statements

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 2022. We report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company

₹ in million						
Particulars	Description of item of property	Gross carrying value	Title deeds held in the name of:	Whether title deed holder is a promoter/director of relative/director or employee of promoter/director	Property held since when date	Reason for not being held in the name of the company
Property, plant and equipment	Building	3.55	Arun Kumar	Yes	5/9/1995	Note-1
Property, plant and equipment	Building	428.42	Shasun Pharmaceuticals Ltd.	No	11/19/2015	Note-2
Property, plant and equipment	Freehold Land	0.81	Grandix Pharmaceuticals Limited	No	12/31/2009	
Property, plant and equipment	Freehold Land	11.76	Shasun Chemicals and Drugs Ltd.	No	4/1/2016	
Property, plant and equipment	Freehold Land	48.69	Shasun Pharmaceuticals Ltd.	No	11/19/2015	
Investment property	Freehold Land	22.20	Shasun Chemicals and Drugs Ltd.	No	4/1/2016	

Note-1 - The apartment is inside a housing cooperative society. The Company has made an application for transferring it to its name which is pending with the society.

Note -2 - These properties are in the name of the 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 Honourable High Courts of judicature. The Company is in the process of transferring the title deeds of such properties in its name.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity as below

No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments, provided guarantee or security, granted loans and advances in the nature of loans, secured or unsecured to companies, limited liability partnership and other parties in respect of which the requisite information is as below:

Particulars	₹ in million			
	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year	5,244.03	-	513.88	-
- Subsidiaries	2,144.03	-	463.88	-
- Joint Ventures	-	-	-	-
- Associates	3,100.00	-	-	-
- Others	-	-	50.00	-
Balance outstanding as at balance sheet date in respect of above cases	20,981.47	-	1,289.11	-
- Subsidiaries	11,561.64	-	1,216.09	-
- Joint Ventures	-	-	-	-
- Associates	9,419.83	-	30.00	-
- Others	-	-	43.02	-

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion following instances of loans/advance in the nature of loan falling due during the year were renewed or extended or settled by fresh loans:

Name of the parties	₹ in million	
	Aggregate amount dues renewed or extended or settled by fresh loans	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Vivimed Lifesciences Private Limited (subsidiary)	801	156%

- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods (and/or services provided by it) and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities. Also refer note 41 to the standalone financial statements.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income- Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (₹ In million)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act,1961	Income tax	190.42 (net of tax paid under protest of 223.14)	AY 2008-09	Income Tax Appellate Tribunal
The Income Tax Act,1961	Income tax	262.20 (net of tax paid under protest of 307.56)	AY 2009-10	Income Tax Appellate Tribunal
The Income Tax Act,1961	Income tax	18.18	AY 2018-19	Commissioner Income tax (Appeals)
Central Excise Act,1944	Central Excise	14.04	Various dates	Customs, Excise and Service tax Appellate Tribunal
Central Excise Act,1944	Central Excise	5.20	Various dates	Commissioner of Central Excise
Central Excise Act,1944	Central Excise	481.20 (net of tax paid under protest of 24.51)	Various dates	Customs, Excise and Service tax Appellate Tribunal
Central Excise Act,1944	Central Excise	63.06	Various dates	Commissioner of Central Tax

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of 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, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

- (xix) We draw attention to Note 2 to the standalone financial statements explains that Management has concluded that the going concern basis is appropriate in preparing the standalone financial statements of the Company. The Company evaluated its ability to continue as a going concern based upon an assessment of the Group's cash position, assessment of the exposure with respect to the financial guarantees provided by the Company to an associate company, future cash flow forecasts, its debt repayment obligations and other commitments and its availability of financing facilities, after considering material breaches of its existing debt covenants and the related subsequent temporary relaxations obtained from the lenders for compliance with such debt covenants. This required the exercise of significant judgement, particularly in forecasting the Group's future revenues, profitability and cash flows.

On the basis of the above and according to the information and explanations given to us, on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clause 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

for **B S R & Co. LLP**

Chartered Accountants

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

Sampad Guha Thakurta

Partner

Place: Bengaluru

Membership Number: 060573

Date: 24 May 2022

UDIN: 22060573AJMRL4596

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 2022.

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 2(A)(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 2022 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 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 control 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 control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 Standalone 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 Standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to Standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Co. LLP**

Chartered Accountants

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

Sampad Guha Thakurta

Partner

Place: Bengaluru

Date: 24 May 2022

Membership Number: 060573

UDIN: 22060573AJMRL4596

STANDALONE BALANCE SHEET

as at March 31, 2022

		₹ In Million	
	Note	31-Mar-22	31-Mar-21
A ASSETS			
I Non-current assets			
(a) Property, plant and equipment	4(i)	5,343.60	5,051.35
(b) Capital work-in-progress	4(ii)	304.51	813.60
(c) Right-of-use assets	5(i)	335.92	309.58
(d) Investment property	6	128.16	678.35
(e) Other intangible assets	7(i)	361.40	405.66
(f) Intangible assets under development	7(ii)	252.64	293.09
(g) Financial assets			
(i) Investments	8	23,997.62	23,946.49
(ii) Loans receivable	9(i)	1,246.09	852.21
(iii) Other financial assets	10(i)	199.30	217.36
(h) Deferred tax assets (net)	11	775.80	752.11
(i) Income-tax assets (net)	12	1,571.99	1,275.17
(j) Other non-current assets	13(i)	69.09	179.79
Total non-current assets		34,586.12	34,774.76
II Current assets			
(a) Inventories	14	5,130.63	6,890.80
(b) Financial assets			
(i) Trade receivables	15	12,963.19	8,216.65
(ii) Cash and cash equivalents	16	121.24	253.03
(iii) Other balances with banks	17	23.22	477.39
(iv) Loans receivable	9(ii)	43.02	35.66
(v) Other financial assets	10(ii)	630.56	364.77
(d) Other current assets	13(ii)	840.60	1,200.27
Total current assets		19,752.46	17,438.57
TOTAL ASSETS		54,338.58	52,213.33
B EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	18	897.90	896.81
(b) Other equity	19	33,168.93	31,583.77
Total equity		34,066.83	32,480.58
II Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20(i)	1,246.95	1,475.39
(ii) Lease liabilities	5(ii)	269.79	238.58
(iii) Other financial liabilities	21(i)	6.58	39.59
(b) Provisions	22(i)	334.68	280.82
(c) Non-current tax liabilities	25(i)	-	1,790.91
(d) Other non-current liabilities	23(i)	0.51	1.08
Total non-current liabilities		1,858.51	3,826.37
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20(ii)	11,199.37	7,313.99
(ii) Lease liabilities	5(ii)	123.08	146.63
(iii) Trade payables	24		
- Total outstanding dues of micro enterprises and small enterprises		331.32	318.12
- Total outstanding dues of creditors other than micro enterprises and small enterprises		6,106.65	7,033.89
(iv) Other financial liabilities	21(ii)	326.44	605.47
(b) Provisions	22(ii)	204.53	226.71
(c) Current tax liabilities (net)	25(ii)	-	31.53
(d) Other current liabilities	23(ii)	121.85	230.04
Total current liabilities		18,413.24	15,906.38
Total liabilities		20,271.75	19,732.75
TOTAL EQUITY AND LIABILITIES		54,338.58	52,213.33

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

Sampad Guha Thakurta
Partner
Membership Number: 060573

Bengaluru, May 24, 2022

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

Mr. Arun Kumar
Executive Chairperson and Managing Director
DIN : 00084845

Manjula R.
Company Secretary
Membership Number: A30515

Badree Komandur
Executive Director- Finance & Group CFO
DIN: 07803242

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022

		₹ In Million	
	Note	31-Mar-22	31-Mar-21
Income			
1 Revenue from operations	26	19,790.03	18,575.66
2 Other income	27	1,234.85	889.96
3 Total income (1+2)		21,024.88	19,465.62
4 Expenses			
(a) Cost of materials consumed		9,354.24	10,500.98
(b) Purchase of stock-in-trade		518.32	563.07
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	1,142.56	(1,175.34)
(d) Employee benefits expense	29	2,720.91	2,727.24
(e) Finance costs	30	742.41	653.39
(f) Depreciation and amortisation expense	31	1,043.66	993.42
(g) Other expenses	32	5,263.18	4,367.40
(h) Foreign exchange (gain)/loss- net		24.52	(280.89)
Total expenses		20,809.80	18,349.27
5 Profit/(Loss) before exceptional items and tax (3-4)		215.08	1,116.35
6 Exceptional items loss (net)		-	-
7 Profit/(Loss) before tax (5+6)		215.08	1,116.35
8 Tax expense	33		
(a) Current tax		(1,584.71)	210.18
(b) Deferred tax (benefit)/ expense		(2.09)	123.77
Total tax (benefit)/expense		(1,586.80)	333.95
9 Profit/(Loss) for the year (7-8)		1,801.88	782.40
10 Other comprehensive income			
A) (i) Items that will not be reclassified to profit or loss	36	(2.51)	(23.35)
(ii) Income tax relating to items that will not be reclassified to profit or loss	36	0.88	8.16
B) (i) Items that may be reclassified to profit or loss	36	(59.30)	391.10
(ii) Income tax relating to items that may be reclassified to profit or loss	36	20.72	(136.66)
Total other comprehensive income for the year, net of tax		(40.21)	239.25
11 Total comprehensive income for the year (9+10)		1,761.67	1,021.65
12 Earnings per equity share (of ₹ 10/- each)			
- Basic	46	20.08	8.73
- Diluted	46	20.07	8.72

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

Sampad Guha Thakurta
Partner
Membership Number: 060573

Bengaluru, May 24, 2022

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

Mr. Arun Kumar
Executive Chairperson and Managing Director
DIN : 00084845

Manjula R.
Company Secretary
Membership Number: A30515

Badree Komandur
Executive Director- Finance & Group CFO
DIN: 07803242

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the years ended march 31, 2022 and March 31, 2021

A) Equity share capital

Particulars	₹ In Million	
	Amount	
Balance as at April 1, 2020		895.65
Changes in equity share capital during the year		
- Shares issued pursuant to exercise of stock options (refer note 42(a))	1.16	
Balance as at March 31, 2021		896.81
Changes in equity share capital during the year		
- Shares issued pursuant to exercise of stock options (refer note 42(a))	1.09	
Balance as at March 31, 2022		897.90

B) Other equity

Particulars	₹ In Million										Total	
	Reserves and surplus			Items of other comprehensive income								
Note reference	Share application money pending allotment	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)	Total	
											Securities premium account	Reserve for Business Restructure (BR)
Balance as at March 31, 2020	-	200.79	17,218.99	3,846.38	601.61	57.24	3,875.79	5,228.04	(212.44)	(124.19)	30,692.21	30,692.21
Profit for the year	-	-	-	-	-	-	-	782.40	-	-	782.40	782.40
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	-	254.44	(15.19)	239.25	239.25
Total comprehensive income	-	-	-	-	-	-	-	782.40	254.44	(15.19)	1,021.65	1,021.65
Dividend (including tax on dividend)	-	-	-	-	-	-	-	(179.14)	-	-	(179.14)	(179.14)
Issue of shares on exercise of stock options	-	-	53.68	-	-	(19.84)	-	-	-	-	33.84	33.84
Employee stock compensation expenses (including expenses cross charged to subsidiaries)	42(a)	-	-	-	-	15.21	-	-	-	-	15.21	15.21
Transferred to general reserve on stock options lapse	-	-	-	-	-	(5.41)	5.41	-	-	-	-	-
Balance as at March 31, 2021	-	200.79	17,272.67	3,846.38	601.61	47.20	3,881.20	5,831.30	42.00	(139.38)	31,583.77	31,583.77

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the years ended march 31, 2022 and March 31, 2021

Particulars	₹ In Million										Total	
	Reserves and surplus			Items of other comprehensive income								
Note reference	Share application money pending allotment	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)	Total	
											Securities premium account	Reserve for Business Restructure (BR)
Profit for the year	-	-	-	-	-	-	-	1,801.88	-	-	1,801.88	1,801.88
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	-	(38.58)	(1.63)	(40.21)	(40.21)
Total comprehensive income	-	-	-	-	-	-	-	1,801.88	(38.58)	(1.63)	1,761.67	1,761.67
Dividend	-	-	-	-	-	-	-	(224.31)	-	-	(224.31)	(224.31)
Issue of shares on exercise of stock options	-	-	49.21	-	-	(18.18)	-	-	-	-	31.03	31.03
Employee stock compensation expenses (including expenses cross charged to subsidiaries)	42(a)	-	-	-	-	12.71	-	-	-	-	12.71	12.71
Share application money received on exercise of options	-	4.06	-	-	-	-	-	-	-	-	4.06	4.06
Transferred to general reserve on stock options lapse	-	-	-	-	-	(21.27)	21.27	-	-	-	-	-
Balance as at March 31, 2022	4.06	200.79	17,321.88	3,846.38	601.61	20.46	3,902.47	7,408.87	3.42	(141.01)	33,168.93	33,168.93

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

Sampad Guha Thakurta

Partner
Membership Number: 060573

Bengaluru, May 24, 2022

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

Mr. Arun Kumar

Executive Chairperson and Managing Director
DIN : 00084845

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, 2022

	₹ In Million	
	31-Mar-22	31-Mar-21
A. Cash flow from operating activities		
Profit before tax	215.08	1,116.35
Adjustments for:		
- Depreciation and amortisation expense	1,043.66	993.42
- Gain on sale/write off of property, plant and equipment, investment property and other intangible assets (net)	(107.63)	(31.04)
- Gain on sale of non-current investment	-	(8.84)
- Share based compensation expense	(8.90)	64.92
- Interest expense	742.42	653.39
- Interest income	(887.49)	(126.05)
- Dividend income	-	(353.70)
- Income from current investment	(2.84)	(0.31)
- Rental income from investment property	(59.79)	(113.03)
- Bad debts written off / provision for doubtful trade receivables	38.35	192.77
- Other receivables written off	15.85	-
- Gain on account of lease modifications	(18.73)	-
- Net unrealised exchange gain	(3.21)	(130.07)
Operating profit before working capital changes	966.77	2,257.81
Changes in working capital:		
Increase in trade and other receivables	(4,651.21)	(1,733.10)
Decrease / (Increase) in inventories	1,760.17	(2,262.61)
(Decrease) / Increase in trade and other payables	(1,116.64)	2,897.62
Net change in working capital	(4,007.68)	(1,098.09)
Cash (utilised in)/ generated from operations	(3,040.91)	1,159.72
Income taxes refund, net	214.06	1,667.90
Net cash flow (utilised in) / generated from operating activities	A (2,826.85)	2,827.62
B. Cash flow from investing activities		
Capital expenditure for property, plant and equipment and intangible assets, including capital advance	(681.70)	(887.40)
Proceeds from sale of property, plant and equipment and intangible assets	4.99	14.85
Proceeds from sale of investment property	630.00	-
Investments in mutual funds	(540.61)	(150.00)
Proceeds from sale of investment in mutual funds	540.61	150.00
Investments in subsidiary and associate	(51.13)	(2,369.95)
Proceeds from sale of non-current investments	-	162.80
Loan given	(463.88)	(451.46)
Loan recovered	70.00	355.06
Interest received (net of taxes)	63.71	169.64
Dividends received (net of taxes)	127.46	229.39
Rental income from investment property	61.41	121.29
Net Security deposits paid	(5.96)	(8.80)
Proceeds/(Investment) in fixed deposits with maturity of more than 3 months, net	432.86	(91.83)
Net cash flow generated from / (utilised in) investing activities	B 187.76	(2,756.41)

STATEMENT OF CASH FLOW FOR the year ended March 31, 2022

	₹ In Million	
	31-Mar-22	31-Mar-21
C. Cash flow from financing activities		
Proceeds from issue of equity shares	36.18	35.00
Proceeds from long-term borrowings	295.36	1,926.45
Repayment of long-term borrowings	(399.72)	(77.57)
Proceeds/(Repayment) from short-term borrowings (net)	3,644.60	(1,406.02)
Dividends paid (net of taxes on dividend)	(224.31)	(179.15)
Lease payments	(150.40)	(144.34)
Interest paid on borrowings	(694.41)	(640.75)
Net cash generated from / (utilised in) financing activities	C 2,507.30	(486.38)
Net decrease in cash and cash equivalents during the year	(A+B+C) (131.79)	(415.17)
Cash and cash equivalents at the beginning of the year	253.03	668.20
Cash and cash equivalents at the end of the year*	121.24	253.03
* Comprises:		
Cash on hand	1.62	2.18
Balance with banks:		
- In current accounts	35.50	69.85
- Funds-in-transit	84.12	181.00
Total	121.24	253.03

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

Sampad Guha Thakurta
Partner
Membership Number: 060573

Bengaluru, May 24, 2022

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

Mr. Arun Kumar
Executive Chairperson and Managing Director
DIN : 00084845

Manjula R.
Company Secretary
Membership Number: A30515

Badree Komandur
Executive Director- Finance & Group CFO
DIN: 07803242

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note No. 1 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.

Note No. 2 Basis of preparation of financial statements

The Company has negative operating cash flows amounting to ₹ 2,826.85 million for the year ended 31 March 2022 on account of continuing pricing pressure in some of its key geographies consequent to effects of COVID. Management of the Company has obtained relaxations for compliance with financial covenants for year ended March 31, 2022, from the lenders as these have not been met as of the date of the issue of financial statements. Further, as of March 31, 2022, the Company has provided guarantees aggregating to ₹ 9,419.83 million in relation to the borrowings of one of its associates (‘the Associate’), out of which ₹ 6,016 million outstanding as on 31 March 2022, for which there is a material uncertainty to continue as a going concern. The Associate has requested for temporary relaxations for compliance with these financial covenants from the lenders as these have not been met as of the date of these financial statements. Also refer note 8 of these financial statements.

Further, to mitigate the situation, the Company has raised long-term and other financing facilities amounting to ₹ 500 million post year ended 31 March 2022 and has issued equity warrants to the entity which is part of the Promoter group that is expected to provide additional equity of ₹ 884 million by 31 March 2023. The Company has cash and cash equivalents of ₹ 121.24 million as at 31 March 2022 and also undrawn borrowing facilities available from certain lenders. Further, the Group also expects to improve operating profits from the newly acquired business in the US and from cost reductions consequent to capacity optimization at some of its manufacturing locations from April 2022 and by monitoring of freight and other expenses.

Accordingly, based on the fact that the Company had generated positive operating cash flows in the previous year and expects to generate positive operating cash flows in future periods, temporary relaxations from lenders for compliance with financial covenants related to borrowings, its ability to raise new financing facilities, full utilisation of existing facilities, expected

equity infusion in the year ending 31 March 2023 and the steps undertaken by management as noted above, management believes that the Company will be able to continue to generate sufficient cash in the foreseeable future to meet its obligations as they fall due."

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 24, 2022"

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

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

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 3.12.3 — 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.

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, 2022 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.

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

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. 3 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.

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:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- 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.
- 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"

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

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 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

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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 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 3.3.2 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 stand-alone 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

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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 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.

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 capitalized 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.

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.

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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 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

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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 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.

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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, whichever 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.

Investment properties are derecognised on disposal or when the investment properties are permanently withdrawn from use and no future economic benefits are expected from its disposal. The gains or losses from the disposal of investment properties are determined

as difference between the carrying amount of the investment properties and the net disposal proceeds and are recognised in profit or loss in the period in which it is disposed.

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 amortized 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:

- 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.

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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.

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:

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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 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

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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 recognized initially at fair value and then subsequently at the higher of the estimated loss and amortized 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 recognized at amortized cost. Where a guarantee is issued for no consideration, the fair value is recognized 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 portion of changes in the fair value of the derivative is recognized 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 recognized 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 recognized 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 recognized 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

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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 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

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Particulars	Gross block		Accumulated depreciation		Net block	
	As at 01-Apr-21	As at 31-Mar-22	As at 01-Apr-21	Depreciation for the year	As at 31-Mar-22	As at 31-Mar-22
Tangible assets:						
Land:						
- Freehold	848.10	848.10	-	-	-	848.10
- Leasehold	48.13	48.13	-	-	-	48.13
Buildings	1,447.24	1,487.21	398.41	71.25	469.64	1,017.57
Plant and equipments	1,464.85	1,447.24	348.19	70.22	398.41	1,048.83
Furniture and fixtures	5,099.13	5,949.87	2,337.97	513.54	2,841.94	3,107.93
Vehicles	4,427.00	5,099.13	1,909.73	449.37	2,337.97	2,761.16
Office equipments	156.20	169.05	86.47	14.82	101.29	67.76
	143.07	156.20	73.23	13.24	86.47	69.73
	33.34	33.26	14.30	3.76	17.15	16.11
	37.66	33.34	15.43	4.70	14.30	19.04
	675.32	772.54	418.96	116.15	534.54	238.00
	553.25	675.32	326.94	92.82	418.96	256.36
Total	8,307.46	9,308.16	3,256.11	719.52	3,964.56	5,343.60
Previous year	7,522.06	8,307.46	2,673.52	630.35	3,256.11	5,051.35

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 ₹ 22.64 Million (as at March 31, 2021: ₹ 65.47 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.

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Note No. 4 (ii) Capital-Work-in Progress (CWIP)

Ageing of Capital-Work-in Progress (CWIP)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	Greater than 3 Years	
March 31, 2022					
Projects in progress	272.41	16.53	7.30	8.27	304.51
Projects temporarily suspended	-	-	-	-	-
Total	272.41	16.53	7.30	8.27	304.51
March 31, 2021					
Projects in progress	440.00	319.67	40.56	13.37	813.60
Projects temporarily suspended	-	-	-	-	-
Total	440.00	319.67	40.56	13.37	813.60

Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

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Note No. 5 Leases

(i) Right-of-use assets

Particulars	Gross block		Accumulated amortisation		Net block	
	As at 01-Apr-21	Additions	De-recognition	As at 01-Apr-21	De-recognition for the year	As at 31-Mar-22
Buildings	511.38	249.93	221.72	201.80	117.81	203.67
Office equipments	511.38	-	-	81.06	120.74	201.80
	87.99	-	-	87.99	-	87.99
	87.99	-	-	83.65	4.34	87.99
Total	599.37	249.93	221.72	289.79	117.81	291.66
<i>Previous year</i>	<i>599.37</i>	<i>-</i>	<i>-</i>	<i>164.71</i>	<i>125.08</i>	<i>289.79</i>

(ii) Lease Liabilities

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Current	123.08	146.63
Non-current	269.79	238.58
	392.87	385.21

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(iii) Amounts Recognised in the statement of Profit or Loss

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Depreciation charge on Right-of-use asset		
Buildings	117.81	120.74
Office equipment	-	4.34
	117.81	125.08
Interest expense (Included in finance cost)	32.64	39.90
Other Income on account of lease modification	18.73	-
Other expenses relating to leases, not included in lease payments	45.45	38.57

(iv) Total cash outflow

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Buildings	150.40	144.34
	150.40	144.34

Note No. 6 Investment property

Particulars	Gross block				Accumulated depreciation			Net block	
	As at 01-Apr-21	Additions	Disposals	As at 31-Mar-22	As at 01-Apr-21	Depreciation for the year	Disposals	As at 31-Mar-22	As at 31-Mar-22
	Land	147.27	-	115.96	31.31	-	-	-	-
	<i>147.27</i>	-	-	<i>147.27</i>	-	-	-	-	<i>147.27</i>
Building	812.97	-	710.23	102.74	281.89	25.16	301.16	5.89	96.85
	<i>812.97</i>	-	-	<i>812.97</i>	<i>236.67</i>	<i>45.22</i>	-	<i>281.89</i>	<i>531.08</i>
Total	960.24	-	826.19	134.05	281.89	25.16	301.16	5.89	128.16
Previous year	<i>960.24</i>	<i>-</i>	<i>-</i>	<i>960.24</i>	<i>236.67</i>	<i>45.22</i>	<i>-</i>	<i>281.89</i>	<i>678.35</i>

Notes:

(i) Figures in italics relate to previous year.

(ii) Details of assets given under an operating lease

Particulars	Gross block		Gross block	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Freehold Land	31.31	147.27	31.31	147.27
Buildings	102.74	812.97	96.85	531.08
Total	134.05	960.24	128.16	678.35

(iii) Fair value of investment properties

The fair value of the Company's investment properties as at March 31, 2022 has been arrived at ₹ 949 Million (as at March 31, 2021 : ₹ 1,579 Million) on the basis of a valuation carried out by independent valuers. The valuation is done by valuers as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 and have appropriate qualifications and relevant experience in the valuation of properties in the relevant locations. The fair value has been categorized 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.

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(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) During the current year the company has sold an investments property with a net book value of ₹ 525.03 Million for a total consideration of ₹630 Million(Refer note 44).

(vi) Amounts recognised in profit or loss for investment properties

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Rental income	56.61	73.78
Gain on sale of investment property	104.97	-
Depreciation	(25.16)	(45.22)
Profit from investment properties	136.42	28.56

Note No. 7 (i) Other intangible assets

Particulars	Gross block				Accumulated amortisation			Net block	
	As at 01-Apr-21	Additions	Disposals	As at 31-Mar-22	As at 01-Apr-21	Amortisation for the year	Disposals	As at 31-Mar-22	As at 31-Mar-22
	- Internally generated:								
- Registrations and brands*	385.79	83.18	12.98	455.99	221.67	49.27	0.45	270.49	185.50
	<i>360.26</i>	<i>29.73</i>	<i>4.20</i>	<i>385.79</i>	<i>167.94</i>	<i>53.94</i>	<i>0.21</i>	<i>221.67</i>	<i>164.12</i>
- Software and licenses	828.09	66.26	-	894.35	586.55	131.90	-	718.45	175.90
	<i>755.73</i>	<i>72.36</i>	<i>-</i>	<i>828.09</i>	<i>447.72</i>	<i>138.83</i>	<i>-</i>	<i>586.55</i>	<i>241.54</i>
Total	1,213.88	149.44	12.98	1,350.34	808.22	181.17	0.45	988.94	361.40
Previous year	<i>1,115.99</i>	<i>102.09</i>	<i>4.20</i>	<i>1,213.88</i>	<i>615.66</i>	<i>192.77</i>	<i>0.21</i>	<i>808.22</i>	<i>405.66</i>

*Additions represents product development expenditure capitalised during the year

Notes:

(i) Figures in italics relate to previous year.

Note No. 7 (ii) Intangible assets under development

Intangible assets under development aging schedule

Particulars	Amount in Intangibles assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	Greater than 3 Years	
March 31, 2022					
Projects in progress	61.29	51.18	-	140.17	252.64
Projects temporarily suspended	-	-	-	-	-
Total	61.29	51.18	-	140.17	252.64
March 31, 2021					
Projects in progress	125.05	11.84	108.56	47.64	293.09
Projects temporarily suspended	-	-	-	-	-
Total	125.05	11.84	108.56	47.64	293.09

Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

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Note No. 8 Investments

Investments consist of the following:

Investments - Non-current

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
(A) Investments in subsidiaries: (Carried at cost)		
Equity shares, unquoted		
- 30,306,148 (As at March 31, 2021: 30,306,148) shares of GBP 1 each fully paid up in Strides Arcolab International Limited, UK	5,322.52	5,322.52
- 438,000 (As at March 31, 2021: 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, 2021: 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, 2021: 12,788,136) shares of CHF 1 each fully paid up in SVADS Holdings SA, Switzerland	466.59	466.59
- 172,215 (As at March 31, 2021: 160,000) shares of ₹ 10 each fully Paid up in Arcolab Private Limited, India	52.73	1.60
- 28,266,880 (As at March 31, 2021: 28,266,880) shares of ₹10 each fully paid up in Vivimed Life Sciences Private Limited, India	1,347.42	1,347.42
Total (A)	18,689.07	18,637.94
(B) Investments in associates:		
Equity shares, unquoted (Carried at cost)		
- 11,089,320 (As at March 31, 2021: 739,288 shares of ₹ 10 each) shares of ₹ 1 each fully paid up in Stelis Biopharma Limited, India(formerly known as Stelis Biopharma Private Limited) (refer note (a), (b) and (c) below)	5,308.55	5,308.55
Total (B)	5,308.55	5,308.55
Total [A+B]	23,997.62	23,946.49
Aggregate amount of unquoted investments	23,997.62	23,946.49
Aggregate amount of impairment in value of investments	-	-

Refer Note 39 for disclosures with respect to section 186(4) of Companies Act, 2013. Refer note 44 for related party transactions.

Note:

- During previous year, 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.
- 5,979,370 (As at March 31, 2021: 407,065) equity shares are pledged against borrowings taken by Stelis Biopharma Limited from a financial institution.
- During the year ended 31 March 2022, Stelis Biopharma Limited ("the Associate") has incurred loss of ₹ 2,327 million and has a net negative working capital position amounting to ₹ 2,976 million, which includes the current maturities of non-current borrowings of ₹ 3,731.55 million as at March 31, 2022. As of March 31, 2022, the associate has inventories relating to Sputnik V, which remains unsold due to geopolitical situation between Russia and Ukraine and sanctions on Russia and Russian Direct Investment Fund (RDIF). The management of the Associate is confident of liquidating these inventories within the shelf life in the normal course of business. Further, the Associate has shown growth in the Contract Development and Manufacturing business (from ₹ 213.9 million in FY21 to ₹ 1,321.27 million in FY22) which is expected to grow further in the coming years. The Associate also proposes to monetise some of its existing intangible assets under development through potential licensing/ strategic partnerships. The Associate has requested for temporary relaxations for compliance with these financial covenants from the lenders as these have not been met as of the date of these financial results. Also, the shareholders of the Associate have committed to extend the necessary financial support against the monies outstanding on the partly paid shares.

Given the mitigating factors discussed above, while there is a reasonable expectation that the Associate will be able to generate/raise adequate resources to continue operating for the foreseeable future and that the going concern basis for the preparation of its financial statements remains appropriate, there exists a material uncertainty in respect of the Associate's going concern. This also required the Company to undertake the Impairment assessment of the Company's investment in the Associate. The Company

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estimated the recoverable amount based on the value in use of the underlying businesses. The computation uses cash flow forecasts based on the most recently approved financial budgets and strategic forecasts. The Company also considered the valuation at which funds were raised by the associate during the year and significant increase in its revenues during the current year. Accordingly, based on the above assessment, the Company has concluded that no impairment provision is required in the standalone financial statements.

Note No. 9 Loans receivable

Loans consist of the following:

(i) Long-term loans receivable

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Unsecured, Considered good:		
Loans to:		
- Related parties (Refer note 44)	1,246.09	852.21
Total	1,246.09	852.21

(ii) Short-term loans receivable

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Unsecured, Considered good:		
Loans to:		
- Employees	43.02	35.66
Total	43.02	35.66

Note No. 10 Other financial assets

Other financial assets consist of the following:

(i) Non-current financial assets

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Security deposits *	186.92	214.59
Fixed deposits with banks	12.38	2.77
Total	199.30	217.36

* Includes security deposit given to related parties (Refer note 44)

(ii) Current financial assets

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Unsecured, considered good:		
Receivables from related parties (Refer note 44)	344.75	110.58
Interest accrued on loans given (Refer note 44)	105.87	21.53
Derivative asset	9.08	64.54
Others:		
- Receivable from director (Refer note 44)**	141.90	-
- Dividend receivable from subsidiaries (Refer note 44)	-	124.63
- Gratuity claim receivables	28.83	23.11
- Others	0.13	20.38
Total	630.56	364.77

**The Company's erstwhile Managing Director and Chief Executive Officer tendered resignation in March 2022 which has been accepted by the Board of Directors (the Board). As part of the terms of his remuneration, as approved in the Annual General Meeting dated 20 August 2020, he was entitled to certain amounts subject to fulfilment of certain service conditions. Consequent to his resignation before the completion of the specified service period, the Board decided to recover amounts due to the Company based on the originally approved terms of his appointment. Accordingly, in line with the requirements of Section 197(9) of the Act, the Company has recorded such excess remuneration of ₹ 141.9 million paid as a recoverable balance as at 31 March 2022.

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Note No. 11 Deferred tax balances

Particulars	₹ In Million	
	As at 31-Mar-22	As at 31-Mar-21
Deferred tax assets	1,221.88	1,181.42
Deferred tax liabilities	(446.08)	(429.31)
Deferred tax assets (net)	775.80	752.11

2021-2022	₹ In Million				
	Opening balance	Recognised in equity	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Cash flow hedges	(22.56)	-	-	20.72	(1.84)
Property, plant and equipment and Intangible assets	(406.75)	-	(37.49)	-	(444.24)
Employee benefits	230.03	-	(35.40)	0.88	195.51
Merger related expenses	5.13	-	(4.23)	-	0.90
Leases	26.44	-	(6.53)	-	19.91
Allowance for credit loss	86.81	-	(23.59)	-	63.22
Others	4.97	-	(6.72)	-	(1.75)
	(75.93)	-	(113.96)	21.60	(168.29)
MAT Credit entitlement	828.04	-	111.86	-	939.90
Tax losses	-	-	4.19	-	4.19
Total	752.11	-	2.09	21.60	775.80

2020-2021	₹ In Million				
	Opening balance	Recognised in equity	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:					
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
	(58.92)	-	111.49	(128.50)	(75.93)
MAT Credit entitlement	954.37	-	(126.33)	-	828.04
Tax losses	108.93	-	(108.93)	-	-
Total	1,004.38	-	(123.77)	(128.50)	752.11

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.

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Note No. 12 Income tax assets (net)

The income tax assets consists of the following:

Non-current income tax assets

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Advance income tax (net of provisions)	978.22	681.40
Income tax paid under protest	593.77	593.77
Total	1,571.99	1,275.17

Note No. 13 Other assets

Other assets (unsecured) consist of the following:

(i) Other non-current assets

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Considered good:		
- Capital advances	18.71	105.50
- Prepaid expenses	24.60	41.54
- Lease equalisation asset	-	2.18
Balances with Government authorities:		
- Indirect taxes paid under protest	25.78	25.78
Others:		
- Receivable from KIADB	-	4.79
Total	69.09	179.79

(ii) Other current assets

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Considered good:		
Advances to suppliers	183.09	125.16
Advances to employees	0.78	0.32
Advances to others	-	7.55
Prepaid expenses	189.46	236.00
Incentives receivables	16.69	195.69
Balances with Government authorities	450.58	635.55
Total	840.60	1,200.27

Note No. 14 Inventories*

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Raw materials (including goods in transit)	3,722.27	4,351.00
Work-in-progress	282.60	309.47
Finished goods	899.20	1,999.95
Stock-in-trade	2.55	17.49
Stores and spares	224.01	212.89
Total	5,130.63	6,890.80

* Refer note 3.13 for mode of valuation of inventories.

Notes

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Note No. 15 Trade receivables

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Unsecured		
Considered good *	13,144.11	8,402.07
Credit impaired	-	63.00
	13,144.11	8,465.07
Less: Allowance for credit loss (Refer note 47.5)	(180.92)	(248.42)
Total	12,963.19	8,216.65

*Includes receivables from related parties (Refer note 44)

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, 2022, trade receivables balances include ₹ 804.12 Million (As at March 31, 2021: ₹ 864.14 Million) and the corresponding financial liability to the banks is included as part of working capital loan under short- term borrowings.

Trade receivables ageing as at March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
		₹ In Million					
Undisputed trade receivables							
-Considered good	5,741.66	4,467.18	2,614.59	274.13	43.19	3.36	13,144.11
-Significant increase in credit risk	-	-	-	-	-	-	-
-credit impaired	-	-	-	-	-	-	-
Less: Allowance for credit loss	-	-	-	-	-	-	(180.92)
Disputed trade receivables							
-considered good	-	-	-	-	-	-	-
-Significant increase in credit risk	-	-	-	-	-	-	-
-credit impaired	-	-	-	-	-	-	-
	5,741.66	4,467.18	2,614.59	274.13	43.19	3.36	12,963.19

Trade receivables ageing as at March 31, 2021

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
		₹ In Million					
Undisputed trade receivables							
-Considered good	5,993.41	1,997.90	132.71	133.41	144.64	-	8,402.07
-Significant increase in credit risk	-	-	-	-	-	-	-
-credit impaired	-	-	-	-	63.00	-	63.00
Less: Allowance for credit loss	-	-	-	-	-	-	(248.42)
Disputed trade receivables							
-considered good	-	-	-	-	-	-	-
-Significant increase in credit risk	-	-	-	-	-	-	-
-credit impaired	-	-	-	-	-	-	-
	5,993.41	1,997.90	132.71	133.41	207.64	-	8,216.65

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note No. 16 Cash and cash equivalents

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Cash on hand	1.62	2.18
Balances with banks:		
- In current accounts	35.50	69.85
- Funds-in-transit	84.12	181.00
Total	121.24	253.03

Note No. 17 Other balances with banks

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
- In deposit accounts (Original maturity more than 3 months but less than 12 months)	4.02	446.49
In earmarked accounts:		
- Unpaid dividend accounts	10.92	21.68
- Unpaid shares accounts	0.33	0.33
- Group gratuity accounts	0.09	1.26
- Balance held as margin money against working capital facilities with banks	7.86	7.63
Total	23.22	477.39

Note No. 18 Equity share capital

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Authorised		
188,370,000 equity shares of ₹ 10/- each with voting rights (March 31, 2021: 188,370,000 Equity shares of ₹ 10/- each) (refer note 37)	1,883.70	1,883.70
	1,883.70	1,883.70
Issued, subscribed and fully paid-up		
89,790,214 equity shares of ₹ 10/- each with voting rights (March 31, 2021: 89,680,964 equity shares of ₹ 10/- each)	897.90	896.81
Total	897.90	896.81

(i) Reconciliation of number of shares and amount outstanding

Particulars	31-Mar-22		31-Mar-21	
	No. of shares	₹ In Million	No. of shares	₹ In Million
Equity share capital				
Equity share of ₹ 10/- each				
Balance at the beginning of the year	89,680,964	896.81	89,565,464	895.65
Changes in equity share capital during the year				
- Shares issued pursuant to exercise of stock options (Refer note 42(a))	109,250	1.09	115,500	1.16
Balance at the end of the year	89,790,214	897.90	89,680,964	896.81

(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.

Notes

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(iii) Details of equity shares held by each shareholder holding more than 5% of equity shares:

Particulars	31-Mar-22		31-Mar-21	
	No. of shares	%	No. of shares	%
Pronomz Ventures LLP	16,926,147	18.85%	16,484,247	18.38%
SBI Long Term Equity Fund	2,380,298	2.65%	5,798,104	6.47%
Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pharma & Healthcare Fund	5,275,798	5.88%	6,251,740	6.97%
Life Insurance Corporation of India	4,136,701	4.61%	4,985,701	5.56%

(iv) Details of equity shares of ₹ 10/- each reserved for issuance:

Particulars	No. of shares	
	31-Mar-22	31-Mar-21
Towards employee stock options under the various Strides stock option plans (Refer note 42(a))	2,590,700	2,602,800
Total		

(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.

(vi) Details of equity shares held by promoters

S.No Promoter Name	31-Mar-22			31-Mar-21		
	No. of Shares	% of total shares	% change during the year	No. of Shares	% of total shares	% change during the year
Promoters						
1 Arun Kumar Pillai	1,540,997	2%	11%	1,385,797	2%	1%
2 Devendra Kumar S	2	0%	(100%)	88,736	0%	687%
3 K R Ravishankar	1,255,593	1%	0%	1,255,593	1%	0%
4 Vimal Kumar S	293,201	0%	12%	262,027	0%	2%
5 Pronomz Ventures LLP	16,926,147	19%	3%	16,484,247	18%	30%
Promoters Group						
6 Abhaya Kumar S	57,869	0%	100%	-	0%	0%
7 Chaitanya D	59,882	0%	113%	28,175	0%	(93%)
8 Gayatri Nair	33,000	0%	0%	33,000	0%	0%
9 Hemalatha Pillai	66,760	0%	0%	66,760	0%	39%
10 Jatin V	461,042	1%	0%	461,033	1%	0%
11 Jitesh D	25,825	0%	0%	25,825	0%	(93%)
12 K R Lakshmi	130,365	0%	0%	130,365	0%	0%
13 Leela V	417,867	0%	0%	417,858	0%	0%
14 Monisha Nitin	149,764	0%	0%	149,764	0%	3%
15 Nitin Kumar V	527,093	1%	6%	498,005	1%	0%
16 Padmakumar Karunakaran Pillai	186,485	0%	0%	186,485	0%	9%
17 Pooja Srisrimal	93,750	0%	0%	93,750	0%	0%
18 Purushothaman Pillai G	33,013	0%	0%	33,013	0%	0%
19 Rahul Nair	20,000	0%	0%	20,000	0%	0%
20 Rajitha Gopalakrishnan	60,000	0%	0%	60,000	0%	33%
21 Rupali Jatin	189,826	0%	0%	189,826	0%	3%
22 Sajitha Pillai	95,000	0%	0%	95,000	0%	19%
23 Sajjan D	176,670	0%	(26%)	237,692	0%	42%

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S.No Promoter Name	31-Mar-22			31-Mar-21		
	No. of Shares	% of total shares	% change during the year	No. of Shares	% of total shares	% change during the year
24 Suchi Chaitanya Srisrimal	93,750	0%	0%	93,750	0%	0%
25 V. Jatin (HUF)	408	0%	0%	408	0%	0%
26 V. Nitin Kumar (HUF)	500	0%	0%	500	0%	0%
27 Vimal Kumar S - (HUF)	115,158	0%	0%	115,158	0%	0%
28 S Abhaya Kumar (HUF)	78,043	0%	0%	78,043	0%	24%
29 Taru Mardia	14,000	0%	0%	14,000	0%	0%
30 Vibha Srisrimal	14,000	0%	0%	14,000	0%	0%
31 Vineetha Mohanakumar Pillai	190,000	0%	0%	190,000	0%	9%
32 Lakshmi Gopalakrishnan	50,000	0%	0%	50,000	0%	0%
33 Rajeshwari Amma	-	0%	0%	-	0%	(100%)
Body Corporates						
34 Abusha Investment & Management Services LLP	281,221	0%	0%	281,221	0%	0%
35 Agraganya Private Trust	300,000	0%	100%	-	0%	0%
36 Ambemata Securities	481,660	1%	0%	481,660	1%	0%
37 Shasun Enterprises LLP (Formerly, Devendra Estates LLP)	823,953	1%	0%	823,953	1%	0%
38 Shasun Leasing And Finance (P) Limited	1,005,000	1%	0%	1,005,000	1%	0%
39 Triumph Venture Holdings LLP	-	0%	(100%)	35,937	0%	0%
40 Karuna Business Solutions LLP	1,225,050	1%	0%	1,223,500	1%	103%
41 Agnus Capital LLP	-	0%	0%	-	0%	(100%)
42 Agnus holding Private Limited	-	0%	0%	-	0%	(100%)
43 Chayadeep Properties	-	0%	0%	-	0%	(100%)
44 Devendra Estates Private Limited	-	0%	0%	-	0%	(100%)
45 Karuna Ventures Private Limited	-	0%	0%	-	0%	(100%)
46 Lifecell Internatinal Private Limited	-	0%	0%	-	0%	(100%)
47 Sequent Scientific Limited	-	0%	0%	-	0%	(100%)

Note No. 19 Other equity

Particulars	Note	₹ In Million	
		31-Mar-22	31-Mar-21
(A) Share application money pending allotment	19 (A)	4.06	-
(B) Reserves and Surplus			
i) Capital reserve	19 (B) (i)	200.79	200.79
ii) Securities premium account			
Securities premium	19 (B) (ii) (a)	17,321.88	17,272.67
Reserve for Business Restructure (BRR)	19 (B) (ii) (b)	3,846.38	3,846.38
iii) Capital redemption reserve	19 (B) (iii)	601.61	601.61
iv) Share options outstanding account	19 (B) (iv)	20.46	47.20
v) General reserve	19 (B) (v)	3,902.47	3,881.20
vi) Retained earnings	19 (B) (vi)	7,408.87	5,831.30
(C) Items of other comprehensive income			
i) Effective portion of cash flow hedge	19 (C) (i)	3.42	42.00
ii) Remeasurement of the defined benefit liabilities / (assets)	19 (C) (ii)	(141.01)	(139.38)
Total		33,168.93	31,583.77

Notes

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Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
(A) Share application money pending allotment		
Opening balance	-	-
Add: Received during the year	4.06	-
Closing balance (A)	4.06	-
(B) Reserves and surplus		
(i) Capital reserve		
Opening balance	200.79	200.79
Add: Movement during the year	-	-
Closing balance	200.79	200.79
(ii) Securities premium account		
(a) Securities premium		
Opening balance	17,272.67	17,218.99
Add: Premium on shares issued during the year (Refer note 42(a))	49.21	53.68
Closing balance	17,321.88	17,272.67
(b) Reserve for Business Restructure (BRR)		
Opening balance	3,846.38	3,846.38
Add: Movement during the year	-	-
Closing balance	3,846.38	3,846.38
Total Securities premium	21,168.26	21,119.05
(iii) Capital redemption reserve		
Opening balance	601.61	601.61
Add: Movement during the year	-	-
Closing balance	601.61	601.61
(iv) Share options outstanding account (Refer notes 42(a))		
Opening balance	47.20	57.24
Add: Employee stock compensation expenses (including amounts cross charged to subsidiary)	12.71	15.21
Less: Transferred to securities premium account on exercise (net)	(18.18)	(19.84)
Less: Transferred to general reserve on lapse	(21.27)	(5.41)
Closing balance	20.46	47.20
(v) General reserve		
Opening balance	3,881.20	3,875.79
Add: Movement during the year	21.27	5.41
Closing balance	3,902.47	3,881.20
(vi) Retained earnings		
Opening balance	5,831.30	5,228.04
Add: Profit for the year	1,801.88	782.40
Less: Dividend on equity shares including taxes	(224.31)	(179.14)
Closing balance	7,408.87	5,831.30
Total Reserves and surplus (B)	33,302.46	31,681.15
(C) Items of other comprehensive income		
(i) Effective portion of cash flow hedge		
Opening balance	42.00	(212.44)
Add / (less): Movement during the year	(59.30)	391.10
Add / (less): Tax impact on above	20.72	(136.66)
Closing balance	3.42	42.00
(ii) Remeasurement of the defined benefit liabilities / (assets) (Refer note 43)		
Opening balance	(139.38)	(124.19)
Add / (less): Movement during the year	(2.51)	(23.35)
Add / (less): Tax impact on above	0.88	8.16
Closing balance	(141.01)	(139.38)
Total items of other comprehensive income (C)	(137.59)	(97.38)
Other equity [(A) + (B) + (C)]	33,168.93	31,583.77

Notes

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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.
- (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 utilized 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 utilized 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 utilized 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	
	31-Mar-22	31-Mar-21
Secured		
- Term loans from banks (Refer note (i) to (iv) below)	638.05	632.00
- Term loans from others (Refer note (v) to (vi) below)	608.90	843.39
Total	1,246.95	1,475.39

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Details of security and terms of repayment for the non-current borrowings:

Terms of repayment and security	₹ In Million	
	31-Mar-22	31-Mar-21
(i) Term loans from banks: Loan 1		
Long-term loan	1.72	2.86
Current maturities of long-term loan	1.15	1.06
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, 2022 is 19 to 44 instalments.		
(ii) Term loans from banks: Loan 2		
Long-term loan	276.58	398.50
Current maturities of long-term loan	125.00	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, 2022 is 39 instalments.		
(iii) Term loans from banks: Loan 3		
Long-term loan	-	33.33
Current maturities of long-term loan	33.33	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, 2022 is 2 instalments.		
(iv) Term loans from banks: Loan 4		
Long-term loan	359.75	197.31
Current maturities of long-term loan	124.80	-
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, 2022 is 47 instalments.		
(v) Term loans from others: Loan 1		
Long-term loan	328.88	461.97
Current maturities of long-term loan	125.00	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: 48 equal monthly instalments from date of first disbursement. The outstanding term as at March 31, 2022 is 44 instalments.		

Details of security and terms of repayment for the non-current borrowings:

Terms of repayment and security	₹ In Million	
	31-Mar-22	31-Mar-21
(i) Term loans from others: Loan 2		
Long-term loan	280.02	381.42
Current maturities of long-term loan	103.68	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, 2022 is 15 instalments.		

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Disclosed under long term borrowings	1,246.95	1,475.39
Disclosed under current borrowings:		
- Current maturities of long-term loans	512.96	378.98
Total	1,759.91	1,854.37

(ii) Current borrowings

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Current		
Current maturities of long-term loans (Refer note 20(i) above)	512.96	378.98
Secured loans repayable on demand from banks: (Refer note (a) below)		
- Working capital loans	9,463.75	6,444.46
Unsecured working capital loans from: (Refer note (b) below)		
- Bank	1,056.09	490.55
- Others	166.57	-
Total	11,199.37	7,313.99

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 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 9.35%.
- Derived rate of interest ranges from 6% to 9% for unsecured loans from others.
- The returns and statements filed by the Company with the banks for its working capital loans, are in line with books of accounts of the Company.
- Also refer note 2.

Net debt reconciliation

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Non-current borrowings	1,246.95	1,475.39
Current borrowings- working capital loans	10,686.41	6,935.01
Current maturities of non-current borrowings	512.96	378.98
Less:		
Cash and cash equivalents	121.24	253.03
Balances in deposit accounts (Refer note 17)	4.02	446.49
Fixed deposit with bank - non current (Refer note 10(i))	12.38	2.77
Net debt	12,308.68	8,087.09

Notes

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					₹ In Million
Reconciliation	Cash and cash equivalents	Balance in deposit accounts (including non current)	Non Current borrowings (including current maturities)	Current borrowings	Net Debt
As on April 1, 2021	253.03	449.26	1,854.37	6,935.01	(8,087.09)
Cash flows	(131.79)	(432.86)	295.36	3,644.60	(4,504.61)
Repayments	-	-	(399.72)	-	399.72
Foreign Exchange Fluctuation	-	-	-	106.80	(106.80)
Others	-	-	9.90	-	(9.90)
As on March 31, 2022	121.24	16.40	1,759.91	10,686.41	(12,308.68)

Note No. 21 Other financial liabilities

Other financial liabilities consist of the following:

(i) Other non-current financial liabilities

			₹ In Million
Particulars	31-Mar-22	31-Mar-21	
Security deposits*	6.58	39.59	
Total	6.58	39.59	

* Includes security deposit received from related party (Refer note 44)

(ii) Other current financial liabilities

			₹ In Million
Particulars	31-Mar-22	31-Mar-21	
Interest accrued but not due on borrowings	10.04	5.20	
Unclaimed dividends*	10.91	21.68	
Derivative liability	3.84	-	
Other payables:			
- Payables to employees under cash settled share based payment plan (Refer note 42(b))	33.00	52.80	
- Other payable to employees	87.84	215.04	
- Payable to related parties (Refer note 44)	30.86	32.81	
- Payables on purchase of property, plant and equipment and intangible assets**	149.62	277.61	
- Others	0.33	0.33	
Total	326.44	605.47	

*Investor Education and Protection Fund shall be credited when due.

** Includes payables to related parties (Refer note 44)

Note No. 22 Provisions

Provisions consist of the following:

(i) Non-current provisions

			₹ In Million
Particulars	31-Mar-22	31-Mar-21	
Provision for employee benefits:			
Gratuity (Refer note 43)	334.68	280.82	
Total	334.68	280.82	

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

(ii) Current provisions

			₹ In Million
Particulars	31-Mar-22	31-Mar-21	
Provision for sales return	-	11.72	
Provision for employee benefits:			
- Compensated absences	204.53	213.04	
- Gratuity	-	1.95	
Total	204.53	226.71	

					₹ In Million
Movement in provisions (2021-22)	Sales return	Gratuity	Compensated absences	Total	
Opening balance	11.72	282.77	213.04	507.53	
Provision recognised/ (utilised) during the year	(11.72)	51.91	(8.51)	31.68	
Closing balance	-	334.68	204.53	539.21	

					₹ In Million
Movement in provisions (2020-21)	Sales return	Gratuity	Compensated absences	Total	
Opening balance	12.10	206.95	182.10	401.15	
Provision recognised/ (utilised) during the year	(0.38)	75.82	30.94	106.38	
Closing balance	11.72	282.77	213.04	507.53	

Note No. 23 Other liabilities

Other liabilities consist of the following:

(i) Other non-current liabilities

			₹ In Million
Particulars	31-Mar-22	31-Mar-21	
Prepaid rent liability	0.51	1.08	
Total	0.51	1.08	

(ii) Other current liabilities

			₹ In Million
Particulars	31-Mar-22	31-Mar-21	
Other payables:			
- Advance from customers*	20.23	103.48	
- Statutory liabilities	97.15	117.00	
- Others	4.47	9.56	
Total	121.85	230.04	

* Includes advance from related party (Refer note 44)

Note No. 24 Trade payables*

			₹ In Million
Particulars	31-Mar-22	31-Mar-21	
- Total outstanding dues of micro enterprises and small enterprises (MSME) (Refer note (i) below)	331.32	318.12	
- Total outstanding dues of creditors other than micro enterprises and small enterprises	6,106.65	7,033.89	
Total	6,437.97	7,352.01	

* Includes dues to related party (Refer note 44)

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Trade payable ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Payables	Not due	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Undisputed							
- MSME	-	139.23	182.63	7.66	1.01	0.79	331.32
- Others	290.00	2,011.36	3,483.21	162.69	81.35	78.04	6,106.65
Disputed							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-

Trade payable ageing schedule as at March 31, 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Payables	Not due	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Undisputed							
- MSME	-	150.11	166.02	1.50	0.36	0.13	318.12
- Others	560.75	3,174.93	2,972.36	92.41	106.50	126.94	7,033.89
Disputed							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-

(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 (MSME), 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	
	31-Mar-22	31-Mar-21
(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	331.32	318.12
- Interest due on the above	5.07	1.53
(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.	3,215.23	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	20.78	17.00
(iv) The amount of interest accrued and remaining un-paid at the end of each accounting year.	25.85	18.53
(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	55.03	29.18

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

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Note No. 25 Tax liabilities

Tax liabilities consist of the following;

(i) Non-current tax liabilities (net)

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Provision for income tax	-	1,790.91
Total	-	1,790.91

(ii) Current tax liabilities (net)

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Provision for income tax (net of advance tax)	-	31.53
Total	-	31.53

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	
	31-Mar-22	31-Mar-21
Sale of products *	19,080.25	17,765.35
Sale of services (Refer note (i) below)	111.87	189.19
Other operating revenues (Refer note (ii) below)	597.91	621.12
Total	19,790.03	18,575.66

* Includes revenue from related parties (Refer note 44).

B. Disaggregated revenue information

In the following table, revenue from contracts with customers is disaggregated by primary geographical market

Revenue from contracts with customers	₹ In Million	
	31-Mar-22	31-Mar-21
Africa	1,153.79	1,364.03
Australia	443.20	478.56
Asia	11,311.91	10,061.77
North America	1,106.40	1,494.63
Europe	4,653.64	3,678.82
India	483.09	854.53
Others	40.09	22.20
Subtotal	19,192.12	17,954.54
Revenue from other sources		
Other operating revenue	597.91	621.12
Subtotal	597.91	621.12
Total	19,790.03	18,575.66

Geographical revenue is allocated based on the location of the customers.

Notes

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(i) Sale of services comprises:

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Development income *	53.43	146.87
Licensing fees	27.97	12.36
Others	30.47	29.96
Total	111.87	189.19

* Includes development income from related parties (Refer note 44)

(ii) Other operating revenue comprises:

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Sale of intellectual property rights (Refer note 44)	498.52	363.47
Royalty income	28.99	76.04
Export incentives	-	134.21
Support service income (Refer note 44)	61.48	37.57
Others	8.92	9.83
Total	597.91	621.12

Note No. 27 Other income

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Interest income (Refer note (i) below)	887.49	126.05
Income from current investment	2.84	0.31
Dividend from subsidiaries*	-	353.70
Rental income from operating leases*	59.79	113.03
Other non-operating income		
- Guarantee commission(Refer note 44)	137.89	256.42
- Gain on sale of property, plant and equipment, Investment property and other intangible assets (net)*	107.63	31.04
- Gain on sale of non-current investment	-	8.84
- Others	39.21	0.57
Total	1,234.85	889.96

* Includes income from related parties (Refer note 44)

Note:

(i) Interest income comprises:

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Interest from banks on deposits	8.72	28.66
Interest on loans (Refer note 44)	106.02	96.47
Interest from others *	772.75	0.92
Total	887.49	126.05

* Includes interest income amounting to ₹ 748 million on tax refunds.

Notes

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Note No. 28 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Inventories at the end of the year:		
- Finished goods	899.20	1,999.95
- Work-in-progress	282.60	309.47
- Stock-in-trade	2.55	17.49
	1,184.35	2,326.91
Inventories at the beginning of the year:		
- Finished goods	1,999.95	653.01
- Work-in-progress	309.47	487.99
- Stock-in-trade	17.49	10.57
	2,326.91	1,151.57
Net decrease/ (increase)	1,142.56	(1,175.34)

Note No. 29 Employee benefits expense

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Salaries, wages and bonus	2,241.02	2,252.44
Contributions to provident and other funds (Refer note 43)	214.51	179.33
Share based compensation expense (Refer note 42)	(8.90)	64.92
Staff welfare expenses	274.28	230.55
Total	2,720.91	2,727.24

Note No. 30 Finance costs

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Interest on borrowings	656.07	560.96
Interest on operating lease liabilities (Refer note 5)	32.64	39.90
Other finance costs	53.70	52.53
Total	742.41	653.39

Note No. 31 Depreciation and amortisation expense

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Depreciation on property, plant and equipment	719.52	630.35
Depreciation on right-of-use assets	117.81	125.08
Depreciation on investment property	25.16	45.22
Amortisation on intangible assets	181.17	192.77
Total	1,043.66	993.42

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note No. 32 Other expenses

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Subcontracting charges	232.15	219.67
Power, fuel and water charges	437.60	458.20
Rent (Refer note 5)	45.45	38.57
Repairs and maintenance:		
- Buildings	20.83	33.99
- Machinery	505.29	415.40
- Others	146.38	142.30
Insurance	106.05	75.61
Rates and taxes	131.53	112.57
Communication expense	54.79	53.45
Travelling and conveyance	41.61	23.38
Printing and stationery	21.62	24.22
Carriage, freight and forwarding	1,770.65	933.99
Business promotion	3.75	6.76
Royalty expenses	-	2.55
Donations and contributions	-	4.61
Expenditure on Corporate Social Responsibility (Refer note (i) below)	24.03	24.81
Support service expenses (Refer note 44)	527.58	570.51
Legal and professional fees	410.84	235.18
Payments to auditors (Refer note (ii) below)	22.02	20.61
Provision for doubtful trade receivables/written off	38.35	192.77
Other receivables written off	15.85	-
Consumption of stores and spares	466.68	537.23
Research and development expenses	147.34	188.16
Failure to supply	43.02	-
Miscellaneous expenses	49.77	52.86
Total	5,263.18	4,367.40

Note:

(i) Expenditure on Corporate Social Responsibility:

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
(a) Gross amount required to be spent during the year	24.03	22.84
(b) Amount spent during the year on (Refer note below)	24.03	24.81
Surplus of CSR spent	-	(1.97)
Total of previous years' shortfall	-	-

Details of amount spent on CSR activities:

Category	₹ In Million	
	31-Mar-22	31-Mar-21
Recurring Projects		
Health(Including Respond to pandemic)	14.02	19.36
Education	3.87	3.25
Employability	1.72	1.50
Impact Assessment	-	0.70
Ongoing Projects		
Vidhyadama - Haragabbe School Project	4.42	-
Total	24.03	24.81

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

(ii) Payments to the auditors comprises (net of taxes) for:

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
- Audit of Standalone, consolidated financial statements, limited review and other certifications	21.03	19.95
- Reimbursement of expenses	0.99	0.66
Total	22.02	20.61

Note No. 33 Tax expenses

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Current Tax		
Current tax expenses	20.88	210.18
Current tax expense relating to prior years*	(1,605.59)	-
	(1,584.71)	210.18
Deferred tax benefit		
Deferred tax expense /(benefit)	109.77	(2.56)
Minimum alternative tax credit reversed	(111.86)	126.33
	(2.09)	123.77
Net tax expense	(1,586.80)	333.95

*The Company during the previous year had received certain refunds including interest of ₹ 1,790 million from tax authorities on account of certain tax credits for earlier years. The amount of refund was earlier recorded as a liability pending receipt of certain documents from tax authorities. During the current year, on receipt of the required documentation from tax authorities, the Company recorded the refund received including other tax provision for such assessment year aggregating to ₹ 1,605 million as a tax credit and the interest income amounting to ₹ 748 million on the said refund under other income in these financial statements.

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Profit before income taxes	215.08	1,116.35
Indian statutory income tax rate	34.944%	34.944%
Expected income tax expense	75.16	390.10
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:		
Effect of concessions and allowances	(16.47)	(40.95)
Tax pertaining to prior years	(1,655.32)	-
Items with differential tax rates	-	(35.08)
Effect of previously unrecognised tax losses and deductible temporary differences	-	-
Others (net)	9.83	19.88
Total Income tax expense	(1,586.80)	333.95
Income tax expense attributable to:		
Profit before tax	(1,586.80)	333.95
	(1,586.80)	333.95

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, 2022

Note No. 34 Earnings and expenditure in foreign currency

34.1 Earnings in foreign currency

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Sale of products	18,639.36	16,940.83
Development income	53.43	146.87
Licensing fees	27.97	12.36
Sale of intellectual property rights	498.52	363.47
Royalty income	28.99	76.04
Dividend from subsidiaries	-	353.70
Guarantee commission	83.25	212.40
Other income	58.30	37.62
Total	19,389.82	18,143.29

34.2 Expenditure in foreign currency

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Royalty expenses	-	1.99
Finance costs	133.33	132.32
Consumption of stores and spares	42.43	56.01
Legal and professional fees	188.95	24.59
Rates and taxes	72.93	86.08
Research and development expenses	27.19	53.72
Business promotion	0.24	0.27
Support service charges	-	0.11
Others	63.76	36.80
Total	528.83	391.89

Note No. 35 Details of research and development expenditure incurred (charged to statement of profit and loss)

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Salaries, wages and bonus	255.73	244.71
Cost of materials consumed	67.07	164.26
Legal and professional fees	16.58	20.04
Bio study expense	91.52	128.00
Consumption of stores and spares	107.53	154.84
Travelling and conveyance	7.37	8.73
Depreciation and amortisation expense	89.59	95.45
Others	163.88	174.20
Total	799.27	990.23

Notes

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Note No. 36 Other comprehensive income

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
A) Items that will not be reclassified to profit or loss		
Defined benefit obligations	(2.51)	(23.35)
Income tax on defined benefit obligations	0.88	8.16
	(1.63)	(15.19)
B) Items that may be reclassified to profit or loss		
Movement in cash flow hedge	(59.30)	391.10
Income tax on cash flow hedge	20.72	(136.66)
	(38.58)	254.44
Total	(40.21)	239.25

Note No. 37 Merger and acquisitions

Business combination under common control during year ended March 31, 2021

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	01-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

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Net assets (including reserves) recognised at the appointed date of the scheme

₹ In Million				
Particulars	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)
Net assets of the transferor companies	(247.55)	(0.66)	1.32	(246.89)
Reserves transferred				
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
Net assets (including reserves) of the transferor companies	56.27	0.10	10.39	66.76

Calculation of Capital reserve arising on business combination under common control

₹ In Million				
Particulars	Strides Emerging Market Limited	Arrow Remedies Private Limited	Fagris Medica Private Limited	Total
Carrying value of Investments	-	0.21	-	0.21
Add : Reversal of impairment loss recognised in retained earnings	-	-	18.70	18.70
Gross Carrying value of Investments	-	0.21	18.70	18.91
Less: Net assets (including reserves) of the transferor companies	(56.27)	(0.10)	(10.39)	(66.76)
(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	(56.27)	0.11	8.31	(47.85)

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 reportable segment are as follows; “Pharmaceutical” and “Bio-pharmaceutical”. The Company had restated segment information for the historical periods presented herein to conform to the current presentation. The 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

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₹ In Million			
S. No.	Particulars	31-Mar-22	31-Mar-21
1	Segment Revenue		
	a) Pharmaceutical business	19,790.03	18,575.66
	b) Bio-pharmaceutical business	-	-
	Revenue from operations	19,790.03	18,575.66
2	Segment results		
	a) Pharmaceutical business	215.08	1,116.35
	b) Bio-pharmaceutical business	-	-
	Profit before tax (I)	215.08	1,116.35
	Tax expense (II)	(1,586.80)	333.95
	Profit for the period (I-II)	1,801.88	782.40

₹ In Million			
S. No.	Particulars	31-Mar-22	31-Mar-21
1	Segment Assets		
	a) Pharmaceutical business	49,020.47	46,816.40
	b) Bio-pharmaceutical business	5,318.11	5,396.93
	Total Segment Assets	54,338.58	52,213.33
2	Segment Liabilities		
	a) Pharmaceutical business	20,271.75	19,658.88
	b) Bio-pharmaceutical business	-	73.87
	Total Segment Liabilities	20,271.75	19,732.75

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, 2022 and March 31, 2021.

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, 2021	Given during the year	Repayment during the year	As at March 31, 2022
Vivimed Lifesciences Private Limited	Wholly owned subsidiary	Unsecured	10.50%	2 Years	822.21	463.87	70.00	1,216.09
Strides Consumer Private Limited	Associate	Unsecured	10%	5 Years	30.00	-	-	30.00
Total					852.21	463.87	70.00	1,246.09

Details of loans during the previous year

₹ In Million								
Name of borrower	Nature of relationship	Security	Rate of interest	Term	As at April 1, 2021	Given during the year	Repayment during the year	As at March 31, 2022
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
Total					755.80	451.46	355.06	852.21

All the above loans are given for the purpose of business operations of the borrowers as long term strategic investment.

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

39.2 Details of non-current investments purchased and sold during the year:

Particulars	Face value per unit	As at April 1, 2021	Invested during the year	Sold during the year	Conversion	₹ In Million	
						As at March 31, 2022	
(A) Investments in subsidiaries: (Carried at cost)							
Equity shares, unquoted							
Strides Arcolab International Limited, UK	GBP 1	5,322.52	-	-	-	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	51.13	-	-	52.73	
		18,637.94	51.13	-	-	18,689.07	
(B) Investments in associates: (Carried at cost)							
Equity shares, unquoted							
Stelis Biopharma Limited, India	₹1	5,308.55	-	-	-	5,308.55	
		5,308.55	-	-	-	5,308.55	
Total		23,946.49	51.13	-	-	23,997.62	

Details of non-current investments purchased and sold during the previous year:

Particulars	Face value per unit	As at April 1, 2020	Invested during the year	Sold during the year	Conversion	₹ In Million	
						As at March 31, 2021	
(A) Investments in subsidiaries: (Carried at cost)							
Equity shares, unquoted							
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	
		17,783.16	-	-	854.78	18,637.94	
Compulsory convertible preference shares, unquoted							
Strides Arcolab International Limited, UK	GBP 1,000	854.78	-	-	(854.78)	-	
		854.78	-	-	(854.78)	-	
(B) Investments in associates: (Carried at cost)							
Equity shares, unquoted							
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)	-	-	
		2,913.69	2,394.96	(0.10)	-	5,308.55	
Compulsorily Convertible Preference shares, unquoted							
Strides Consumer Private Limited, India	₹100	153.86	-	(153.86)	-	-	
		153.86	-	(153.86)	-	-	
Total		21,705.49	2,394.96	(153.96)	-	23,946.49	

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

39.3 Details of current investments purchased and sold during the year:

Particulars	As at April 1, 2021	Purchase during the year	Sold during the year	Adjustments	₹ In Million	
					As at March 31, 2022	
Investment measured at fair value through profit or loss						
Quoted investments						
Investments in mutual funds	-	540.61	(540.61)	-	-	-
Total	-	540.61	(540.61)	-	-	-

Details current investments purchased and sold during the previous year

Particulars	As at April 1, 2021	Purchase during the year	Sold during the year	Adjustments	₹ In Million	
					As at March 31, 2022	
Investment measured at fair value through profit or loss						
Quoted investments						
Investments in mutual funds	-	150.00	(150.00)	-	-	-
Total	-	150.00	(150.00)	-	-	-

39.4 Movement in corporate guarantee during the year

Particulars	As at April 1, 2021	Given during the year	Withdrawn/Cancelled during the year	Exchange rate movement	₹ In Million	
					As at March 31, 2022	
Strides Pharma Global Pte. Limited - Banks and financial institutions Purpose: Non-current and working capital borrowings for capital investments	7,090.75	2,144.03	-	268.83	9,503.61	
Stelis Biopharma Private Limited, India - Banks and financial institutions Purpose: Non-current borrowings for capital investments	6,188.52	3,100.00	-	131.31	9,419.83	
Strides Pharma Inc., USA - Banks and financial institutions Purpose- workings capital borrowings	1,463.19	-	(365.80)	41.91	1,139.30	
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	605.14	-	-	(6.41)	598.73	
Total	15,667.60	5,244.03	(365.80)	435.64	20,981.47	

Notes

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Movement in corporate guarantee during the previous year

Particulars	₹ In Million				
	As at April 1, 2020	Given during the year	Withdrawn/Cancelled during the year	Exchange rate movement	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 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
Total	32,355.28	365.80	(16,762.48)	(291.00)	15,667.60

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:

Borrower	₹ In Million			
	Outstanding		Maximum amount outstanding during the year ended	
	As at March 31, 2022	As at March 31, 2021	March 31, 2022	March 31, 2021
Strides Consumer Private Limited	30.00	30.00	30.00	30.00
Vivimed Lifesciences Private Limited	1,216.09	822.21	1,216.09	1,092.41
Total	1,246.09	852.21	1,246.09	1,122.41

Note No. 40 Commitments

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	141.20	296.27
Total	141.20	296.27

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Note No. 41 Contingent liabilities (to the extent not provided for)

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
a) Corporate guarantees		
The Company has given corporate guarantees to financial institutions and other parties, including on behalf of its subsidiaries in the ordinary course of business.	20,981.47	15,667.60
b) Claims against the Company not acknowledged as debt		
- 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.	1,740.14	1,664.77
- 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.	588.01	588.01

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 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:

- 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 67,500 options (Previous year: 25,000) under this scheme during the current year.
- During the current year, Employee compensation costs of ₹ 10.90 Million (for the year ended March 31, 2021: ₹ 12.12 Million) relating to the above referred 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 X and ESOP 2016 Lot XI are ₹ 359.42 and ₹ 271.55 respectively. Options were priced using 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	ESOP 2016-X	ESOP 2016-XI
No of Options	25,000	42,500
Grant date share price	₹ 798.60	₹ 607.70
Exercise price	₹ 599.00	₹ 455.80
Expected volatility	39.06%	38.26%
Option life	3 years	3 years
Expected Dividend %	20.00%	20.00%
Risk-free interest rate	6.023%	6.223%

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Employee stock options details as on the balance sheet date are as follows:

Particulars	During the year 2021-22		During the year 2020-21	
	Options (No's)	Weighted average exercise price per option (₹)	Options (No's)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year	245,900	348.79	421,200	346.86
Granted during the year	67,500	508.84	25,000	311.00
Exercised during the year**	(122,750)	294.80	(115,500)	302.97
Lapsed/ cancelled during the year	(55,400)	621.49	(84,800)	426.17
Options outstanding at the end of the year*	135,250	393.98	245,900	348.79
Options available for grant	2,590,700	-	2,602,800	-

* Includes options vested but not exercised as at March 31, 2022 : 35,250 (March 31, 2021: 57,150)

** Includes options exercised but not allotted as at March 31, 2022 : 13,500 (March 31, 2021: Nil)

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 Nil options (Previous year: 72,966) under this scheme during the current year.

During the current year, Employee compensation cost reversal of ₹ 19.80 Million (cost for the year ended March 31, 2021: ₹ 52.80 Million) relating to the Plan have been recorded in the Statement of Profit and Loss on account of final settlement of the Phantom units granted previous year.

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 ₹ 143.81 Million for provident fund contributions, ₹ 2.06 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.).

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.

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The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at	
	31-Mar-22	31-Mar-21
Discount rate(s)	6.91%	6.58%
Expected rate(s) of salary increase	10.00%	10.00%
Mortality Rate	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	
	31-Mar-22	31-Mar-21
Service cost:		
Current service cost	51.53	42.12
Net interest expense	17.11	11.89
Components of defined benefit costs recognised in statement of profit and loss	68.64	54.01
Remeasurement on the net defined benefit liability:		
Return on plan assets [excluding amounts included in net interest expense] (excess) / short	(1.57)	3.74
Actuarial losses arising from changes in demographic assumptions	7.22	13.56
Actuarial losses arising from changes in financial assumptions	(11.45)	(4.76)
Actuarial losses arising from experience adjustments	8.31	10.81
Components of defined benefit costs recognised in other comprehensive income	2.51	23.35
Total	71.15	77.36

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	
	31-Mar-22	31-Mar-21
Present value of funded defined benefit obligation	464.87	397.94
Fair value of plan assets	(130.19)	(126.49)
Funded status	334.68	271.45
Present value of unfunded defined benefit obligation	-	11.32
Net liability arising from defined benefit obligation	334.68	282.77

Movements in the present value of the defined benefit obligation are as follows:

Particulars	₹ In Million	
	Year ended	
	31-Mar-22	31-Mar-21
Opening defined benefit obligation	409.26	343.38
(less) on account of acquisitions / transfers	2.76	-
Expenses recognised in statement of profit and loss		
Current service cost	51.53	42.12
Interest cost	25.43	20.63
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	(11.45)	(4.76)
Actuarial gains and losses arising from experience adjustments	8.31	10.81
Actuarial gains and losses arising from demographic assumption	7.22	13.56
Benefits paid	(28.19)	(16.48)
Closing defined benefit obligation	464.87	409.26

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Movements in the fair value of the plan assets are as follows:

Particulars	₹ In Million	
	Year ended	
	31-Mar-22	31-Mar-21
Opening fair value of plan assets	126.49	136.43
Remeasurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)	8.32	8.73
Contributions from the employer	22.00	-
Actuarial gain/(loss) on plan assets	1.57	(3.74)
Benefits paid	(28.19)	(14.93)
Closing fair value of plan assets	130.19	126.49

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 ₹ 434.30 Million (₹ 499.52 Million) as at March 31, 2022.

If the expected salary growth increases (decrease) by 1%, the defined benefit obligation would be ₹ 490.31 Million (₹ 440.52 Million) as at March 31, 2022.

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	₹ In Million
	Amount
2022-23	49.17
2023-24	44.15
2024-25	43.31
2025-26	46.55
2026-27	55.03
2027-28 to 2031-32	218.56

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Note No. 44

Related party transactions : List of related parties

Relationship	Name
Wholly owned subsidiaries	Direct Holding
	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
	Step down subsidiaries
	Altima Innovations Inc, USA
	Arrow Life Sciences (Malaysia) Sdn. Bhd., Malaysia
	Arrow Pharma (Private) Limited, Srilanka (Upto September 9, 2021)
	Arrow Pharma Life Inc., Philippines Philipines (Upto September 13, 2021)
	Arrow Pharma Pte Limited, Singapore
	Generic Partners (Canada) Inc., Canada (Upto October 12 2021)
	Generic Partners UK Limited, UK
	Generic Partners (International) Pte. Ltd, Singapore (Upto June 1,2021)
	Generic Partners (R&D) Pte. Ltd, Singapore (Upto June 1, 2021)
	Pharmapar Inc, Canada (from June 30, 2021)
	Shasun Pharma Solutions Inc, USA
	Stabilis Pharma Inc, USA
	Stelis Biopharma (Malaysia) Sdn Bhd, Malaysia
	Strides CIS Limited, Cyprus
	Strides LifeSciences Limited, Nigeria
	Strides Netherlands BV, Netherlands
	Strides Nordic ApS, Nordic
	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	
Strides Vivimed Pte Limited, Singapore (Upto June 1, 2021)	
Vensun Pharmaceuticals Inc, USA	
Other Subsidiaries:	Direct Holding:
	Step down subsidiaries
	Apollo Life Sciences Holdings Proprietary Limited, South Africa (51.76%)
	Beltapharm, SpA, Italy (97.94%)
	Eris Pharma GmbH, Germany
	Fairmed Healthcare AG, Switzerland
	Fairmed Healthcare GmbH, Germany
	Pharmapar Inc, Canada (80%) (Upto June 29, 2021)
	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%)
	Trusts:
	Strides Foundation Trust, India

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Relationship	Name
Joint Ventures (JV)	Sihuan Strides (HK) Ltd, Hongkong
Associates	Aponia Laboratories Inc, USA Biolexis Private Limited, India Juno OTC Inc, Canada (with effect from May 31, 2019 to June 14, 2021) Regional Bio Equivalence Centre S.C., Ethiopia Stelis Biopharma Limited, India,(Formerly known as Stelis Biopharma Private Limited, India) Stelis Pte. Ltd, Singapore Strides Consumer Private Limited, India Stelis Biopharma LLC, US(till January 12, 2022) Strides Consumer LLC, USA Strides Global Consumer Healthcare Limited, UK
Director and Key Management Personnel	Mr. Arun Kumar, Chairman and Non-Executive Director Dr. R Ananthanarayanan, Managing Director & CEO Mr. Badree Komandur, Executive Director- Finance & Group CFO Mr. Deepak Vaidya, Non-Executive Director Mr. Bharat D Shah, Independent Director Mr. S.Sridhar, Independent Director Dr. Kausalya Santhanam, Independent Director Mr. Homi Rustam Khusrokhhan, Independent Director Ms. Manjula Ramamurthy, Company Secretary
Enterprises owned or significantly influenced by directors, key management personnel and their relatives	Alivira Animal Health Limited, India Atma Projects, India Aurore Life Sciences Private Limited, India Aurore Pharmaceuticals Private Limited Chayadeep Properties Private Limited, India Karuna Business Solutions LLP Naari Pharma Private Limited Shasun Enterprises LLP(formerly Known as Devendra Estates LLP) SeQuent Research Limited, India (upto September 8, 2020) Solara Active Pharma Sciences Limited, India Steriscience Specialties Private Limited, India Tenshi Kaizen Private Limited, India Tenshi Life Sciences Private Limited, India 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)

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Related party closing balances

Particulars	₹ 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 31-Mar-22	As at 31-Mar-21	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-22	As at 31-Mar-21
Balance of (trade payables) net of advance paid :										
1 Atma Projects	-	-	-	-	-	-	-	-	(16.98)	(8.19)
2 Arco Lab Private Limited	(27.41)	(94.18)	-	-	-	-	-	-	-	-
3 Aurore Life Sciences Private Limited	-	-	-	-	-	-	-	-	(202.24)	(161.70)
4 Aurore Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	(144.40)	(23.75)
5 Beltapharm S.p.A.	-	-	(0.13)	(3.90)	-	-	-	-	-	-
6 Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	(2.44)	(3.86)
7 Shasun Enterprises LLP (formerly Devendra Estates LLP)	-	-	-	-	-	-	-	-	-	(0.28)
8 Fairmed Healthcare AG	-	-	(4.09)	(0.04)	-	-	-	-	-	-
9 Fair-Med Healthcare Gmbh	-	-	(61.94)	(22.45)	-	-	-	-	-	-
10 Strides Consumer Private Limited	-	-	-	-	(0.22)	(1.20)	-	-	-	-
11 Strides Pharma (Cyprus) Limited	-	(4.11)	-	-	-	-	-	-	-	-
12 Strides Pharma Inc.	(395.30)	(104.10)	-	-	-	-	-	-	-	-
13 Strides Pharma Global Pte Limited	(125.19)	(77.59)	-	-	-	-	-	-	-	-
14 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	(1,105.28)	(1,593.58)
15 Stelis Biopharma Limited	-	-	-	-	(0.73)	-	-	-	-	-
16 Strides Lifesciences Limited	(0.22)	-	-	-	-	-	-	-	-	-
17 Trinity Pharma (Pty) Ltd	-	-	(1.12)	-	-	-	-	-	-	-
18 Universal Corporation Limited	-	-	(12.16)	(17.49)	-	-	-	-	-	-
19 Vivimed Life Sciences Private Limited	(12.24)	(39.76)	-	-	-	-	-	-	-	-
20 Strides Pharma (UK) Limited, UK	(65.48)	(35.05)	-	-	-	-	-	-	-	-
Balance of trade receivables (net of advance received):										
1 Alivira Animal Health Limited	-	-	-	-	-	-	-	-	-	1.18
2 Arrow Pharma Pte Limited	-	4.39	-	-	-	-	-	-	-	-
3 Arco Lab Private Limited	2.48	(6.24)	-	-	-	-	-	-	-	-
4 Beltapharm S.p.A.	-	-	1.11	1.13	-	-	-	-	-	-
5 Fairmed Healthcare AG	-	-	487.67	-	-	-	-	-	-	-
6 Naari Pharma Private Limited	-	-	-	-	-	-	-	-	0.01	0.01
7 Sihuan Strides HK Limited	-	-	-	-	37.03	35.69	-	-	-	-
8 Strides Pharma (UK) Limited, UK	1,974.16	589.01	-	-	-	-	-	-	-	-
9 Strides Pharma Canada Inc.,	1.79	21.63	-	-	-	-	-	-	-	-
10 Strides Netherlands B.V	152.11	44.01	-	-	-	-	-	-	-	-
11 Strides Shasun Latina SA De CV	-	-	2.69	2.59	-	-	-	-	-	-
12 Strides South Africa Pty Ltd	-	-	89.47	30.23	-	-	-	-	-	-
13 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	8.21	11.24

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₹ In Million

Particulars	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 31-Mar-22	As at 31-Mar-21	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-22	As at 31-Mar-21
Balance of trade receivables (net of advance received):										
1 Strides Pharma Global Pte Limited	8,844.29	4,651.60	-	-	-	-	-	-	-	-
2 Strides Nordic Aps	25.52	-	-	-	-	-	-	-	-	-
3 Stelis Biopharma Limited	-	-	-	-	7.61	0.02	-	-	-	-
4 Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	3.78	-
5 Tenshi Life Sciences Private Limited	-	-	-	-	-	-	-	-	0.06	5.81
6 Trinity Pharma (Pty) Ltd	-	-	43.95	-	-	-	-	-	-	-
7 Strides Consumer Private Limited	-	-	-	-	12.68	11.38	-	-	-	-
8 Strides Global Consumer Healthcare Limited	-	-	-	-	0.04	1.57	-	-	-	-
9 Strides Consumer LLC	-	-	-	-	0.04	9.27	-	-	-	-
10 Strides Pharma Inc.	0.38	-	-	-	-	-	-	-	-	-
11 Universal Corporation Limited	-	-	39.72	5.28	-	-	-	-	-	-
12 Vivimed Life Sciences Private Limited	34.61	297.54	-	-	-	-	-	-	-	-
13 Strides Pharma (Cyprus) Limited	27.83	(91.64)	-	-	-	-	-	-	-	-
14 Fairmed Healthcare AG	-	-	-	-	-	311.22	-	-	-	-
Dividend Receivable										
1 Strides Pharma Asia Pte Limited	-	124.63	-	-	-	-	-	-	-	-
Loan Receivable										
1 Strides Consumer Private Limited	-	-	-	-	30.00	30.00	-	-	-	-
2 Vivimed Life Sciences Private Limited	1,216.09	822.21	-	-	-	-	-	-	-	-
Balance of Deposit paid										
1 Atma Projects	-	-	-	-	-	-	-	-	69.96	69.96
2 Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	21.88	33.23
Balance of deposits received										
1 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	(7.20)	(7.20)
Other financial assets (liabilities) and other assets (liabilities)										
1 Arrow Pharma (Private) Limited, Sri Lanka	-	0.09	-	-	-	-	-	-	-	-
2 Beltapharm S.p.A.	-	-	1.90	0.31	-	-	-	-	-	-
3 Stelis Biopharma Limited	-	-	-	-	6.00	(7.31)	-	-	-	-
4 Sterisience Specialities Private Limited	-	-	-	-	-	-	-	-	0.00	0.00
5 Strides Consumer Private Limited	-	-	-	-	22.47	12.32	-	-	-	-
6 Strides Pharma Asia Pte Limited	14.91	7.68	-	-	-	-	-	-	-	-
7 Strides Pharma (Cyprus) Limited	1.54	5.37	-	-	-	-	-	-	-	-
8 Strides Pharma Canada Inc.,	0.45	(66.58)	-	-	-	-	-	-	-	-
9 Strides CIS Limited	(30.86)	(29.79)	-	-	-	-	-	-	-	-
10 Strides Pharma Global Pte Limited	251.89	50.07	-	-	-	-	-	-	-	-

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₹ In Million

Particulars	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 31-Mar-22	As at 31-Mar-21	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-22	As at 31-Mar-21
11 Velbiom Probiotics Private Limited	-	-	-	-	-	-	-	-	5.86	5.86
12 Strides Pharma (UK) Limited, UK	1.84	(3.19)	-	-	-	-	-	-	-	-
13 Strides Pharma Inc.	(7.30)	-	-	-	-	-	-	-	-	-
14 Universal Corporation Limited	-	-	25.67	31.65	-	-	-	-	-	-
15 Vivimed Life Sciences Private Limited	104.08	7.68	-	-	-	-	-	-	-	-
18 Mr. Arun Kumar	-	-	-	-	-	-	(0.20)	(1.00)	-	-
17 Dr. R Ananthanarayanan	-	-	-	-	-	-	111.90	(18.00)	-	-
16 Mr. Badree Komandur	-	-	-	-	-	-	-	(3.75)	-	-
19 Mr. Deepak Vaidya	-	-	-	-	-	-	(0.10)	(1.19)	-	-
20 Dr. Kausalya Santhanam	-	-	-	-	-	-	(0.10)	(1.19)	-	-
21 Mr. S.Sridhar	-	-	-	-	-	-	(0.10)	(1.19)	-	-
22 Mr. Homi Rustam Khusrokhhan	-	-	-	-	-	-	(0.10)	(1.19)	-	-
23 Mr. Bharat D Shah	-	-	-	-	-	-	(0.10)	(1.19)	-	-

Related party transactions

₹ 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 31-Mar-22	Year Ended 31Mar21	Year Ended 31-Mar-22	Year Ended 31-Mar-21	Year Ended 31-Mar-22	Year Ended 31-Mar-21	Year Ended 31-Mar-22	Year Ended 31-Mar-21	Year Ended 31-Mar-22	Year Ended 31-Mar-21
Sales of materials/services										
1 Sterisience Specialities Private Ltd	-	-	-	-	-	-	-	-	0.08	-
2 Stelis Biopharma Limited	-	-	-	-	0.01	-	-	-	-	-
3 Strides Pharma (UK) Limited, UK	2,389.40	1,574.92	-	-	-	-	-	-	-	-
4 Strides Pharma (Cyprus) Limited	479.78	242.67	-	-	-	-	-	-	-	-
5 Strides Pharma Global Pte Limited	11,168.70	9,925.33	-	-	-	-	-	-	-	-
6 Strides Pharma Inc.	0.36	7.28	-	-	-	-	-	-	-	-
7 Strides Pharma Canada Inc.,	1.76	20.53	-	-	-	-	-	-	-	-
8 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	0.01	-
9 Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	-	0.01
10 Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	0.05	0.03
11 Trinity Pharma (Pty) Ltd	-	-	48.33	-	-	-	-	-	-	-
12 Universal Corporation Limited	-	-	45.91	17.02	-	-	-	-	-	-
13 Fairmed Healthcare AG	-	-	270.49	379.51	-	-	-	-	-	-
14 Juno OTC Inc	-	-	-	-	6.38	3.19	-	-	-	-

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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 31-Mar-22	Year Ended 31Mar21	Year Ended 31-Mar-22	Year Ended 31-Mar-21	Year Ended 31-Mar-22	Year Ended 31-Mar-21	Year Ended 31-Mar-22	Year Ended 31-Mar-21	Year Ended 31-Mar-22	Year Ended 31-Mar-21
	15 Strides Consumer LLC	-	-	-	-	-	7.76	-	-	-
16 SVADS holdings SA	-	47.32	-	-	-	-	-	-	-	-
17 Strides Netherlands B.V	138.59	45.10	-	-	-	-	-	-	-	-
18 Strides Nordic Aps	25.72	-	-	-	-	-	-	-	-	-
19 Strides South Africa Pty Ltd	-	-	56.84	30.63	-	-	-	-	-	-
20 Sihuan Strides HK Limited	-	-	-	-	-	35.81	-	-	-	-
21 Steriscience Specialties Private Ltd	-	-	-	-	-	-	-	-	-	0.02
22 Strides Shasun Latina SA De CV	-	-	-	2.60	-	-	-	-	-	-
23 Vivimed Life Sciences Private Limited	19.93	456.34	-	-	-	-	-	-	-	-
24 Strides Consumer Private Limited	-	-	-	-	8.12	10.46	-	-	-	-
Sale of intellectual property rights										
1 Strides Pharma Global Pte Limited	498.52	363.47	-	-	-	-	-	-	-	-
Purchase / (returns) of intellectual property rights										
1 Strides Pharma Canada Inc.,	(66.55)	66.55	-	-	-	-	-	-	-	-
2 Stelis Biopharma Limited	-	-	-	-	(7.31)	7.31	-	-	-	-
Sale of investment										
1 Strides Global Consumer Healthcare Limited	-	-	-	-	-	162.80	-	-	-	-
Sale of property, plant and equipment										
1 Karuna Business Solutions LLP	-	-	-	-	-	-	-	630.00	-	-
2 Stelis Biopharma Limited	-	-	-	-	-	2.93	-	-	-	-
3 Strides Pharma Global Pte Limited	-	4.77	-	-	-	-	-	-	-	-
4 Strides Pharma Inc.	-	51.39	-	-	-	-	-	-	-	-
5 Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	3.20	-	-
6 Vivimed Life Sciences Private Limited	0.05	-	-	-	-	-	-	-	-	-
7 Universal Corporation Limited	-	-	0.30	-	-	-	-	-	-	-
Interest income										
1 Strides Consumer Private Limited	-	-	-	-	3.00	3.00	-	-	-	-
2 Vivimed Life Sciences Private Limited	103.02	93.47	-	-	-	-	-	-	-	-
Guarantee commission income										
1 Stelis Biopharma Limited	-	-	-	-	52.16	41.32	-	-	-	-
2 Strides Pharma Asia Pte Limited	-	124.50	-	-	-	-	-	-	-	-
3 Strides Pharma Global Pte Limited	65.98	63.83	-	-	-	-	-	-	-	-
4 Strides Pharma Inc.	13.12	14.04	-	-	-	-	-	-	-	-
5 Strides Pharma (UK) Limited, UK	4.16	10.03	-	-	-	-	-	-	-	-
6 Vivimed Life Sciences Private Limited	2.47	2.70	-	-	-	-	-	-	-	-

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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 31-Mar-22	Year Ended 31Mar21	Year Ended 31-Mar-22	Year Ended 31-Mar-21	Year Ended 31-Mar-22	Year Ended 31-Mar-21	Year Ended 31-Mar-22	Year Ended 31-Mar-21	Year Ended 31-Mar-22	Year Ended 31-Mar-21
	Support service income									
1 Stelis Biopharma Limited	-	-	-	-	2.10	-	-	-	-	-
2 Strides Consumer Private Limited	-	-	-	-	1.20	1.20	-	-	-	-
3 Strides Global Consumer Healthcare Limited	-	-	-	-	0.45	0.45	-	-	-	-
4 Strides Consumer LLC	-	-	-	-	0.45	0.45	-	-	-	-
5 Strides Pharma (Cyprus) Limited	26.80	23.67	-	-	-	-	-	-	-	-
5 Strides Pharma Global Pte Limited	15.49	11.80	-	-	-	-	-	-	-	-
6 Universal Corporation Limited	-	-	15.00	-	-	-	-	-	-	-
Rental income from operating leases										
1 Arco Lab Private Limited	1.66	38.26	-	-	-	-	-	-	-	-
2 Strides Consumer Private Limited	-	-	-	-	0.89	0.96	-	-	-	-
3 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	15.18	15.24
4 Vivimed Life Sciences Private Limited	0.06	0.03	-	-	-	-	-	-	-	-
Dividend income										
1 Strides Pharma Asia Pte Limited	-	353.70	-	-	-	-	-	-	-	-
Purchase of materials/services										
1 Aurore Life Sciences Private Limited	-	-	-	-	-	-	-	-	244.98	295.79
2 Aurore Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	336.29	28.16
3 Beltapharm S.p.A.	-	-	-	1.62	-	-	-	-	-	-
4 SeQuent Research Limited	-	-	-	-	-	-	-	-	-	0.08
5 Strides Pharma Global Pte Limited	55.96	77.73	-	-	-	-	-	-	-	-
6 Strides Pharma Inc.	183.95	-	-	-	-	-	-	-	-	-
7 Stelis Biopharma Limited	-	-	-	-	46.03	-	-	-	-	-
8 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	1,054.95	2,252.71
9 Universal Corporation Limited	-	-	-	10.26	-	-	-	-	-	-
10 Vivimed Life Sciences Private Limited	25.70	102.60	-	-	-	-	-	-	-	-
11 Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	-	0.12
Support service expenses										
1 Arco Lab Private Limited	526.59	569.43	-	-	-	-	-	-	-	-
2 Strides Consumer Private Limited	-	-	-	-	1.19	1.08	-	-	-	-
Purchase of assets										
1 Strides Pharma Global Pte Limited	2.21	21.01	-	-	-	-	-	-	-	-
2 Vivimed Life Sciences Private Limited	0.18	3.08	-	-	-	-	-	-	-	-

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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 31-Mar-22	Year Ended 31Mar21	Year Ended 31-Mar-22	Year Ended 31-Mar-21	Year Ended 31-Mar-22	Year Ended 31-Mar-21	Year Ended 31-Mar-22	Year Ended 31-Mar-21	Year Ended 31-Mar-22	Year Ended 31-Mar-21
Reimbursement of expenses incurred by										
1 Aurore Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	0.03	-
2 Aurore Life Sciences Private Limited	-	-	-	-	-	-	-	-	0.04	0.09
3 Beltapharm S.p.A.	-	-	0.96	-	-	-	-	-	-	-
4 Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	1.22	-
5 Fairmed Healthcare AG	-	-	4.05	1.15	-	-	-	-	-	-
6 Fairmed Healthcare GmbH	-	-	42.19	22.45	-	-	-	-	-	-
7 Stelis Biopharma Limited	-	-	-	-	0.00	-	-	-	-	-
8 Strides Consumer Private Limited	-	-	-	-	0.63	-	-	-	-	-
9 Strides Lifesciences Limited	0.22	0.34	-	-	-	-	-	-	-	-
10 Strides Netherlands B.V	2.89	-	-	-	-	-	-	-	-	-
11 Strides Pharma (UK) Limited, UK	29.25	38.68	-	-	-	-	-	-	-	-
12 Strides Pharma (Cyprus) Limited	(0.76)	1.79	-	-	-	-	-	-	-	-
13 Strides Pharma Global Pte Limited	22.02	0.19	-	-	-	-	-	-	-	-
14 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	98.13	167.12
15 Strides Pharma Inc.	129.37	3.85	-	-	-	-	-	-	-	-
16 Trinity Pharma (Pty) Ltd	-	-	1.12	-	-	-	-	-	-	-
17 Vivimed Life Sciences Private Limited	(0.29)	-	-	-	-	-	-	-	-	-
18 Universal Corporation Limited	-	-	0.82	0.61	-	-	-	-	-	-
Reimbursement of expenses incurred on behalf of										
1 Arco Lab Private Limited	16.41	32.90	-	-	-	-	-	-	-	-
2 Fairmed Healthcare AG	-	-	1.49	2.12	-	-	-	-	-	-
3 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	0.01	23.82
4 Stelis Biopharma Limited	-	-	-	-	3.96	2.42	-	-	-	-
5 Strides Consumer Private Limited	-	-	-	-	13.68	20.61	-	-	-	-
6 Strides Pharma Canada Inc.,	0.44	-	-	-	-	-	-	-	-	-
7 Strides Pharma Global Pte Limited	188.14	252.40	-	-	-	-	-	-	-	-
8 Strides Pharma (Cyprus) Limited	6.81	4.42	-	-	-	-	-	-	-	-
9 Strides Pharma Asia Pte Limited	14.91	7.68	-	-	-	-	-	-	-	-
10 Strides Pharma Inc.	6.11	17.82	-	-	-	-	-	-	-	-
11 Strides Pharma (UK) Limited, UK	16.09	41.43	-	-	-	-	-	-	-	-
12 Steriscience Specialties Private Ltd	-	-	-	-	-	-	-	-	0.00	0.08
13 Tenshi Life Sciences Private Limited	-	-	-	-	-	-	-	-	-	13.41
14 Universal Corporation Limited	-	-	5.38	10.63	-	-	-	-	-	-
15 Vivimed Life Sciences Private Limited	19.54	38.39	-	-	-	-	-	-	-	-

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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 31-Mar-22	Year Ended 31Mar21	Year Ended 31-Mar-22	Year Ended 31-Mar-21	Year Ended 31-Mar-22	Year Ended 31-Mar-21	Year Ended 31-Mar-22	Year Ended 31-Mar-21	Year Ended 31-Mar-22	Year Ended 31-Mar-21
Lease Payments										
1 Atma Projects	-	-	-	-	-	-	-	-	90.32	85.21
2 Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	37.91	40.65
3 Shasun Enterprises LLP(formerly Devendra Estates LLP)	-	-	-	-	-	-	-	-	2.27	3.32
4 Strides Pharma Global Pte Limited	15.50	11.83	-	-	-	-	-	-	-	-
Loans / advances given / repaid by Company										
1 Vivimed Life Sciences Private Limited	463.88	451.46	-	-	-	-	-	-	-	-
Loans / advances taken by Company / repaid to Company										
1 Vivimed Life Sciences Private Limited	70.00	355.06	-	-	-	-	-	-	-	-
Investments during the year										
1 Stelis Biopharma Limited	-	-	-	-	-	-	-	-	2,369.95	-
2 Arco Lab Private Limited	51.13	-	-	-	-	-	-	-	-	-
Donation Paid										
1 Strides Foundation Trust	-	-	-	-	-	-	-	-	21.50	26.60
Short term employee benefits paid to (Refer note (i) below)										
1 Mr. Arun Kumar	-	-	-	-	-	-	-	-	6.27	-
2 Dr. R Ananthanarayanan	-	-	-	-	-	-	-	-	88.85	177.32
3 Mr. Badree Komandur	-	-	-	-	-	-	-	-	46.05	41.26
4 Ms. Manjula Ramamurthy	-	-	-	-	-	-	-	-	7.63	4.72
Employee stock option expenses										
1 Mr. Badree Komandur	-	-	-	-	-	-	-	-	0.24	0.93
2 Ms. Manjula Ramamurthy	-	-	-	-	-	-	-	-	0.05	0.19
Sitting fees paid										
1 Dr. Kausalya Santhanam	-	-	-	-	-	-	-	-	1.30	1.70
2 Mr. Arun Kumar	-	-	-	-	-	-	-	-	0.80	0.50
3 Mr. Deepak Vaidya	-	-	-	-	-	-	-	-	1.30	1.70
4 Mr. S.Sridhar	-	-	-	-	-	-	-	-	1.30	1.70
5 Mr. Homi Rustam Khusrokhan	-	-	-	-	-	-	-	-	1.30	1.70
6 Mr. Bharat D Shah	-	-	-	-	-	-	-	-	1.20	1.70
Remuneration to Non-executive directors										
1 Mr. Deepak Vaidya	-	-	-	-	-	-	-	-	1.00	-
2 Mr. Arun Kumar	-	-	-	-	-	-	-	-	1.00	-
3 Dr. Kausalya Santhanam	-	-	-	-	-	-	-	-	1.00	-
4 Mr. S.Sridhar	-	-	-	-	-	-	-	-	1.00	-
5 Mr. Homi Rustam Khusrokhan	-	-	-	-	-	-	-	-	1.00	-
6 Mr. Bharat D Shah	-	-	-	-	-	-	-	-	1.00	-

Note

i. The compensation excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

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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:

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Gross carrying amount of assets leased	134.05	960.24
Accumulated depreciation	5.89	281.89
Future minimum lease income:		
Not later than one year	16.04	27.98
Later than one year but not later than 5 years	-	16.04
Later than 5 years	-	-
Total	16.04	44.02

Note No. 46 Earnings per share

Particulars	₹ In Million	
	For the year ended 31-Mar-22	For the year ended 31-Mar-21
Profit attributable to the equity holders of the Company	1,801.88	782.40
Weighted average number of equity shares used for computation of basic earnings per share	89,747,525	89,609,605
Add : Effect of potentially dilutive equity shares - Employee Stock option	38,941	99,798
Weighted average number of equity shares used for computation of diluted earnings per share	89,786,466	89,709,403
Earnings per share		
Basic	20.08	8.73
Diluted	20.07	8.72

Note No. 47 Financial instruments

47.1 Categories of financial instruments

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Financial assets:		
Measured at amortised cost		
(a) Cash and bank balances	156.84	733.19
(b) Loans receivable	1,476.03	1,102.46
(c) Trade receivables	12,963.19	8,216.65
(d) Receivables from related parties	344.75	110.58
(e) Dividend receivable from subsidiaries	-	124.63
(f) Other financial assets at amortised cost	276.73	65.02
Measured at FVTOCI		
(a) Fair value of derivatives designated in a cash flow hedge	9.08	64.54
Financial liabilities:		
Measured at FVTOCI		
(a) Derivative financial liabilities	3.84	-
Measured at FVTPL		
(a) Cash settled share based payments	33.00	52.80
Measured at amortised cost		
(a) Borrowings	12,446.32	8,789.38
(b) Lease Liabilities	392.87	385.21
(c) Security deposit	6.58	39.59
(d) Trade payables	6,437.97	7,352.01
(e) Unclaimed dividends	10.91	21.68
(f) Payable to subsidiaries	30.86	32.81
(g) Other financial liabilities	247.83	283.14

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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)
	31-Mar-22	31-Mar-21		
Financial assets:				
Foreign currency forward contracts designated in hedge accounting relationships (FVTOCI)	9.08	64.54	Level 2	The fair value of forward foreign contracts are determined using spot and forward exchange rates at the balance sheet date.
Financial liabilities:				
Foreign currency forward contracts designated in hedge accounting relationships (FVTOCI)	3.84	-	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)	33.00	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.

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 amortized cost will reasonably approximate their fair values.

Particulars	31-Mar-22		31-Mar-21	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans	1,246.09	1,246.09	852.21	852.21
Security deposit	186.92	203.19	214.59	214.98
Financial liabilities				
Borrowings	12,446.32	12,464.95	8,789.38	8,817.90
Lease liabilities	392.87	392.87	385.21	385.21
Security deposit	6.58	7.20	39.59	40.83

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 minimize 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:

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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:

- a. repayments of specific foreign currency borrowings.
- b. forecast sales transactions

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 (in ₹)	Foreign currency (In Million)	Nominal amounts (₹ In Million)	Fair value assets/ (liabilities) (₹ In Million)
As at March 31, 2022					
Sell AUD	Forecast sales				
Less than 3 months		57.64	6.00	345.84	348.86
3 to 6 months		57.13	6.00	342.78	338.94
6 to 12 months		59.23	12.00	704.40	710.46
Total				1,393.02	1,398.26
As at March 31, 2021					
Sell USD	Forecast sales				
Less than 3 months		77.01	15.00	1,155.28	1,208.78
Sell GBP	Forecast sales				
6 to 12 months		106.67	6.00	640.04	651.08
Total				1,795.32	1,859.86

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:

Receivable/(payable) / cash and bank/ (borrowings)	Amounts In Million			
	As at 31-Mar-22		As at 31-Mar-21	
Exposure to the currency	in foreign currency	in ₹	in foreign currency	in ₹
AUD	50.27	2,853.78	19.15	1,063.91
GBP	19.64	1,957.83	6.37	641.86
EUR	10.19	855.58	3.53	302.72
CAD	2.80	169.99	1.45	84.22
SGD	0.05	2.95	0.00	0.17
AED	-	0.10	-	-
CNY	-	0.06	-	-
LKR	0.02	-	0.04	0.01
USD	(13.79)	(1,052.00)	(17.24)	(1,261.55)
ZAR	(0.08)	(0.43)	-	-
CHF	-	(0.05)	(0.00)	(0.09)

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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:

Particulars	Increase / (decrease) in equity		Increase / (decrease) in profit	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Appreciation in the USD	(34.22)	(39.30)	(34.22)	(41.04)
Depreciation in the USD	34.22	39.30	34.22	41.04
Appreciation in the EUR	27.83	9.85	27.83	9.85
Depreciation in the EUR	(27.83)	(9.85)	(27.83)	(9.85)
Appreciation in the AUD	93.00	34.61	92.83	34.61
Depreciation in the AUD	(93.00)	(34.61)	(92.83)	(34.61)
Appreciation in the CAD	5.53	2.74	5.53	2.74
Depreciation in the CAD	(5.53)	(2.74)	(5.53)	(2.74)
Appreciation in the GBP	63.68	21.24	63.68	20.88
Depreciation in the GBP	(63.68)	(21.24)	(63.68)	(20.88)

₹ In Million

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 ₹ 124.65 Million (March 31, 2021: 88.18 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 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.

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The Company is no 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 loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The 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 31-Mar-22	Allowance for credit loss as at 31-Mar-22
Not Due	5,741.66	36.86
Less than 180 Days	4,467.18	24.54
180-360 Days	2,614.59	20.92
360-540 Days	244.07	51.83
540-720 Days	30.06	3.23
Over 720 Days	46.55	43.54
Total	13,144.11	180.92

₹ In Million		
Ageing of Receivable	Gross carrying amount as at 31-Mar-21	Allowance for credit loss as at 31-Mar-21
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
Total	8,465.07	248.42

Movement in expected credit loss allowance

₹ In Million		
Particulars	31-Mar-22	31-Mar-21
Balance at the beginning of the year	248.42	170.65
Written off during the year	(105.85)	(115.00)
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	38.35	192.77
Total	180.92	248.42

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.

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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.

₹ In Million								
Financial liabilities	Due within (years)						Total	Carrying amount
	1	1 to 2	2 to 3	3 to 4	4 to 5	beyond 5		
Bank and other borrowings								
- As on March 31, 2022	11,199.37	479.38	478.96	307.24	-	-	12,464.95	12,446.32
- As on March 31, 2021	7,313.99	439.31	405.74	405.31	253.55	-	8,817.90	8,789.38
Interest payable on borrowings								
- As on March 31, 2022	10.04	-	-	-	-	-	10.04	10.04
- As on March 31, 2021	5.20	-	-	-	-	-	5.20	5.20
Lease liabilities								
- As on March 31, 2022	128.29	59.61	64.23	67.36	49.48	207.05	576.02	392.87
- As on March 31, 2021	153.97	137.67	69.67	57.75	24.44	6.11	449.61	385.21
Trade and other payable not in borrowings								
- As on March 31, 2022	6,750.53	-	-	-	-	7.20	6,757.73	6,757.11
- As on March 31, 2021	7,952.28	-	-	-	-	40.83	7,993.11	7,991.87

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:

₹ In Million						
Particulars	Total	less than 3 months	3 to 6 months	"6 months to 1 year"	1-5 years	5+ years
March 31, 2022						
Net settled:						
- foreign exchange forward contracts	5.24	3.02	(3.84)	6.06	-	-
Total	5.24	3.02	(3.84)	6.06	-	-
March 31, 2021						
Net settled:						
- foreign exchange forward contracts	64.54	53.50	-	11.04	-	-
Total	64.54	53.50	-	11.04	-	-

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 finalizing 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, 2022.

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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 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, 2022 is 0.36.

The Company is not subject to any externally imposed capital requirements.

48.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows.

Particulars	₹ In Million	
	31-Mar-22	31-Mar-21
Debt (i)	12,446.32	8,789.38
Less:		
Cash and bank balances	(156.84)	(733.19)
Net Debt (A)	12,289.48	8,056.19
Total Equity (B)	34,066.83	32,480.58
Net debt to equity ratio (A/B)	0.36	0.25

(i) Debt is defined as Non current borrowings and current borrowings.

Note No. 49 Additional Regulatory Information

49.1. Title deeds of Immovable Properties not held in the name of the company

Particulars	Description of item of property	Gross carrying value	Title deeds held in the name of:	Whether title deed holder is a promoter, director or relative/director or employee of promoter/director	Property held since when date	Reason for not being held in the name of the company
						₹ In Million
Property, plant and equipment	Building	3.55	Arun Kumar	Yes	09-05-1995	The apartment is inside a housing cooperative society. The Company has made an application for transferring it to its name which is pending with the society.
Property, plant and equipment	Buidling	428.42	Shasun Pharmaceuticals Ltd.	No	19-11-2015	These properties are in the name of the 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 of transferring the title deeds of such properties in its name.
Property, plant and equipment	Freehold Land	0.81	Grandix Pharmaceuticals Limited	No	31-12-2009	

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₹ In Million

Particulars	Description of item of property	Gross carrying value	Title deeds held in the name of:	Whether title deed holder is a promoter, director or relative/director or employee of promoter/director	Property held since when date	Reason for not being held in the name of the company
Property, plant and equipment	Freehold Land	11.76	Shasun Chemicals and Drugs Ltd.	No	01-04-2016	These properties are in the name of the 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 of transferring the title deeds of such properties in its name.
Property, plant and equipment	Freehold Land	48.69	Shasun Pharmaceuticals Ltd.	No	19-11-2015	
Investment property	Freehold Land	22.20	Shasun Chemicals and Drugs Ltd.	No	01-04-2016	
Investment property	Buidling	183.83	Shasun Chemicals and Drugs Ltd.	No	01-04-2016	

49.2. Operating Ratios

Ratios	Numerator	Denominator	₹ In Million		
			31-Mar-22	31-Mar-21	% of variance
Current ratio (in times)	Total current assets	Total current liabilities - Current Maturities of long term borrowings	1.10	1.12	-2%
Debt-Equity ratio (in times) ¹	Debt = Non current borrowings + Current borrowings	Total equity = Shareholder's Equity	0.37	0.27	35%
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Depreciation + Finance cost	Debt service = Interest and lease payments + Principal repayments	2.88	2.82	2%
Return on equity ratio (in %) ²	Profit for the year less Preference dividend (if any)	Average total equity	5%	2%	122%
Inventory turnover ratio	Cost of Goods Sold	Average inventory	1.83	1.72	7%
Trade receivables turnover ratio (in times) ³	Revenue from operations	Average trade receivables	1.87	2.51	-26%
Trade payables turnover ratio (in times)	Purchases + Other expenses	Average trade payable	2.10	2.67	-21%
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities) (excluding current maturities of long term borrowing)	10.68	9.72	10%
Net profit ratio (in %) ⁴	Profit for the year	Total Income	9%	4%	113%
Return on capital employed (in %) ⁵	Profit before tax and finance costs	Capital employed = Net worth + Total Debt - Deferred tax assets	2%	4%	-52%
Return on investment (in %) ⁶	Realised and unrealised gain	Average investment during the year	0.39%	0.02%	1522%

- Increase in total debt on account of capital expenditure and working capital requirements.
- Increase in profit after tax on account of tax refunds of prior years.
- Trade receivable turnover ratio has reduced due to increase in Daily sales outstanding (DSO) days.
- Increase in profit after tax on account of tax refunds of prior years.
- Return on capital employed reduced due to reduction in operating profits.
- Return on investment has increased due to higher returns from treasury investments.

Notes

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Note No. 50 Other Statutory Information

- (a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (b) The Company does not have any transactions with companies struck off.
- (c) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (d) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (e) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (f) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (g) The Company has not done any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

Note No. 51 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. 52 During the year ended March 31, 2022, no material foreseeable loss (March 31, 2021: Nil) was incurred for any long-term contract including derivative contracts.

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Note No. 53 The Board of Directors of the Company on February 10, 2022 have approved the Scheme of Amalgamation 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 April 1, 2022. The Scheme of Amalgamation is yet to be filed with National Company Law Tribunal(NCLT) for approval. The Scheme was originally approved by the Board of Directors at their meeting held on October 29, 2020. However, the Company did not proceed with the Scheme at that time and the current Scheme supersedes the original Scheme.

Note No. 54 The previous year's figures have been re-grouped/ reclassified, where necessary to confirm to current year's classification.

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

Sampad Guha Thakurta

Partner

Membership Number: 060573

Bengaluru, May 24, 2022

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

Mr. Arun Kumar

Executive Chairperson and Managing Director

DIN : 00084845

Manjula R.

Company Secretary

Membership Number: A30515

Badree Komandur

Executive Director- Finance & Group CFO

DIN: 07803242

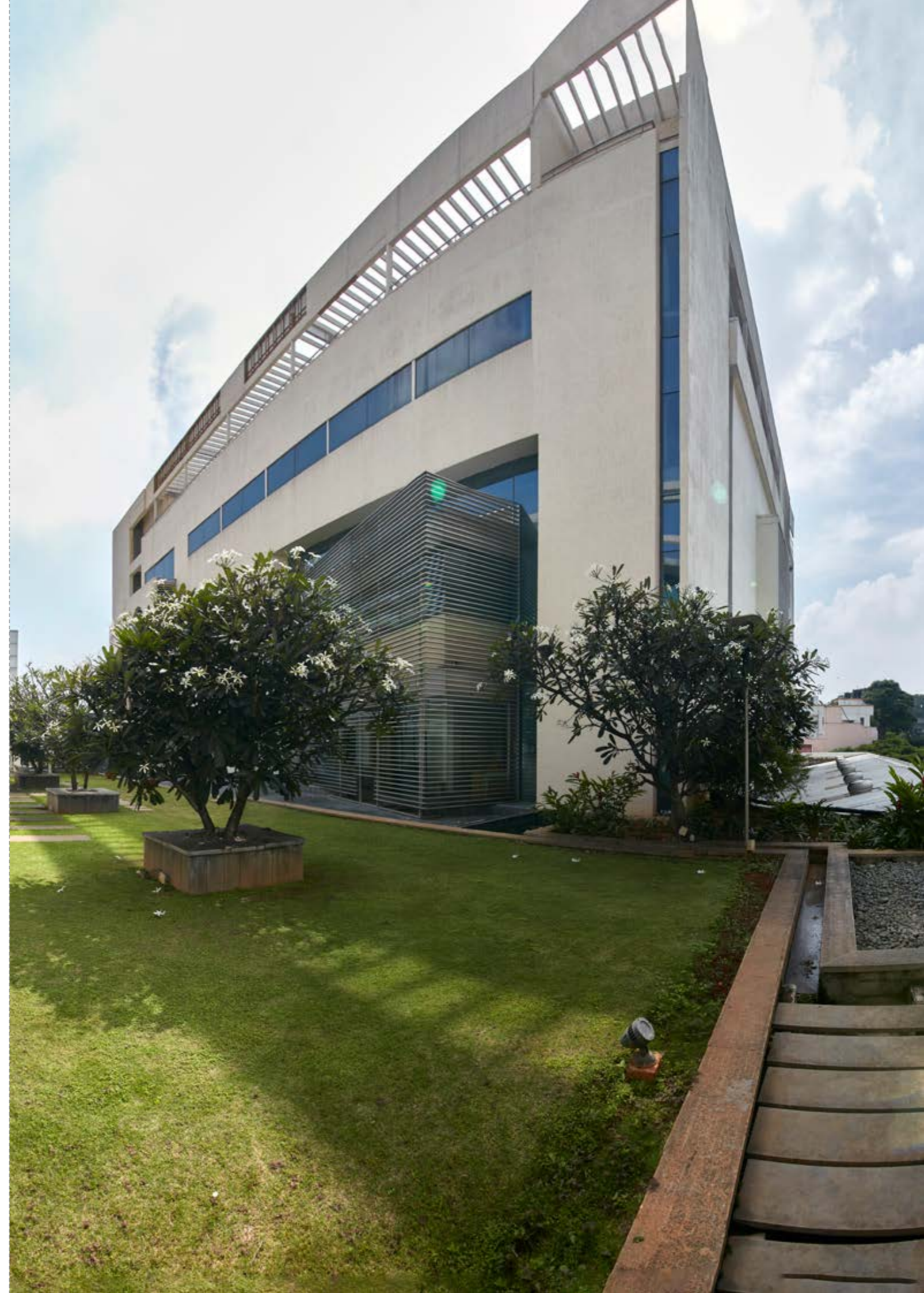
Equity History of the Company

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

Date	Particulars	Number of Shares Issued	Cumulative Number of Shares Issued	Face Value per share (₹)	Equity Share Capital issued (₹)	Equity Share Capital (Cumulative) (₹)
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
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

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) (₹)
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
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
30-Jun-21	Allotment pursuant to exercise of stock options	23,750	8,97,17,164	10	2,37,500	89,71,71,640
06-Aug-21	Allotment pursuant to exercise of stock options	5,550	8,97,22,714	10	55,500	89,72,27,140
06-Sep-21	Allotment pursuant to exercise of stock options	54,700	8,97,77,414	10	5,47,000	89,77,74,140
01-Nov-21	Allotment pursuant to exercise of stock options	5,300	8,97,82,714	10	53,000	89,78,27,140
28-Jan-22	Allotment pursuant to exercise of stock options	7,500	8,97,90,214	10	75,000	89,79,02,140
18-Apr-22	Allotment pursuant to exercise of stock options	13,500	8,98,03,714	10	1,35,000	89,80,37,140





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