

Science can...

AstraZeneca Pharma India Limited
Annual Report 2022-2023



Science Can...



As the world undergoes constant evolution, AstraZeneca Pharma India Limited (AstraZeneca) is constantly redefining the standard of care by offering life-enhancing and life-saving treatments. We are committed to transforming outcomes for our patients, increasing access to healthcare and making healthcare systems more resilient, while growing the success of our Company.

Pushing the boundaries of science, the Company is continuously transforming healthcare with its unwavering dedication to scientific excellence.

AstraZeneca's success stems from its focus on research and development, investing significantly to drive groundbreaking discoveries and reimagine the future of medicine.

As a leading pharmaceutical company, AstraZeneca is leveraging its scientific expertise to provide accessible and effective treatment for patients globally. Collaborating with experts worldwide, the Company tackles the most pressing medical challenges across diverse therapeutic areas. In oncology, the Company has made remarkable strides, developing innovative treatments that target the underlying mechanisms of cancer.

As the burden of disease grows and the population ages, we believe that science is key to helping unlock the answers to healthcare challenges. With a relentless pursuit of innovative solutions and dedication to improving global health, AstraZeneca shapes the future of medicine, forging a path toward a healthier and brighter world for all.

AstraZeneca's spirit of bringing science-led innovations for one and all extends beyond medicine as it actively engages in sustainability and ethical practices. By aligning its operations with social responsibility, the Company ensures its scientific advancements create a sustainable and equitable future.



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Managing Director's Statement



Dr. Sanjeev Panchal
Managing Director

At AstraZeneca, we are transforming the future of healthcare by unlocking the power of what science can do.

Dear Shareholders,

The reopening of world economies following the pandemic has presented AstraZeneca with a unique opportunity to shape the future of the healthcare industry. Through our cutting-edge scientific advancements, we are revolutionising patient outcomes and solidifying our position as a leader in the field. Our organisation wholeheartedly embraces the mindset of ‘Science Can, We Can’, and it is driven by our shared values of serving people, society and the planet.

I would like to express my sincere gratitude to you for your trust in us as an organisation that is genuinely committed to unlocking the potential of scientific research in order to develop exceptional medicines for patients, with the ultimate goal of treating and eventually curing diseases.

It brings me great pleasure to establish this connection with you and provide an update on the advancements and achievements of AstraZeneca over the past year. We envision a future of healthcare that is the immense potential of scientific breakthroughs. As the newly appointed Managing Director, I feel privileged to lead our organisation in harnessing the power of science to deliver world-class medicines and transform patient outcomes.

Financial Performance

In FY 2022-23, we demonstrated robust performance and successfully executed our long-term growth strategy. We achieved a significant milestone, with our total income amounting to ₹ 10,291 million, indicating a remarkable growth rate of 25%. This notable growth was driven by the sale of pharmaceutical products, which witnessed a substantial increase of 24%, reaching ₹ 9,417 million.

Within our therapy areas, we experienced exceptional growth. Oncology revenue surged by 48%, demonstrating our dedication to addressing critical healthcare needs in the field of cancer. The Respiratory and Immunology segment exhibited impressive growth of 52%, underscoring our commitment to improving respiratory health and immune disorders.

Furthermore, our Cardiovascular portfolio commendably grew 18%. However, we did encounter a decline of 23% in the Diabetes segment.

These outstanding results reflect the unwavering trust bestowed upon us by the Indian healthcare ecosystem, further affirming our commitment to enhancing patient outcomes.

The Power of Science

As a science-led biopharmaceutical Company, AstraZeneca is highly regarded and trusted by our stakeholders for our unwavering dedication to pushing the boundaries of scientific innovation. In FY 2022-23, we achieved significant milestones in terms of regulatory approvals, submissions, and pipeline progression

events. At the core of our mission is a steadfast commitment to improving health outcomes. We have developed an access to healthcare strategy that encompasses several pillars. We strive to make our medicines widely available and affordable, ensuring that patients can benefit from the latest advancements in medical science. Additionally, we actively support the development of sustainable health systems and infrastructure, recognising the importance of a robust healthcare ecosystem in delivering quality care to individuals and communities. Moreover, we are committed to raising disease awareness and promoting preventive measures, empowering individuals to take control of their health and well-being.

Therapy Area Progress

Throughout the year, the impact of our pioneering science has been evident across all therapy areas. We have obtained significant regulatory approvals that have enabled us to serve patients who would otherwise face limited or no treatment options. Following the global acquisition of Alexion in 2021, we have expanded our portfolio to bring innovative therapies for rare diseases to the Indian market. As a result of this strategic acquisition, India stands among the first few countries in Asia to offer rare disease therapies from the esteemed Alexion portfolio. One such groundbreaking therapy is Selumetinib, which aims to address the unmet medical needs of patients with rare disease NF1, eventually improving their quality of life. This expansion of our portfolio reflects our unwavering commitment to bringing transformative medicines to patients, particularly those with limited treatment options. Additionally, we are dedicated to emphasising the importance of early diagnosis and holistic care. With this, we strive to enhance patient outcomes and ensure that individuals receive the utmost care throughout their healthcare journey.

Addressing Healthcare Challenges with Advanced Technology

We understand the significance of early diagnosis in facilitating precise treatment. To transform this vision into reality, we have dedicated considerable time and effort in partnerships and initiatives. One of our key endeavors is the A.Catalyst Network’s India Health Innovation Hub, which operates in collaboration with the Indo-Sweden Healthcare Innovation Centre (ISHIC). Together, we are diligently working towards making healthcare affordable and accessible to everyone. Notably, our projects such as HeartBeat, SEARCH, SAHAYOG, and several others play a crucial role in disseminating accurate awareness pertaining to various disease areas. Furthermore, these initiatives actively contribute to early detection, ultimately leading to better health outcomes for individuals.

A Great Place to Work

Innovation flourishes within a diverse workplace that fosters a sense of safety and empowerment and encourages collaboration while challenging conventional thinking. The innovative breakthroughs we have achieved in the past year can be attributed to our exceptional and collaborative workforce. I extend my gratitude to all my colleagues at AstraZeneca for their unwavering dedication and commitment in delivering outstanding performance and ensuring that our medicines reach patients across the country. Our steadfast commitment lies in nurturing inclusivity and diversity, creating an environment where individuals can unleash their potential and continuously grow and evolve.

Commitment to Society and the Planet

Driven by our core value of ‘Doing the right thing’, we are dedicated to making meaningful contributions to society and the planet. We recognise the interdependence

of a healthy planet and healthy people and are taking bold actions to expand healthcare access while reducing our impact on the climate.

One of our impactful initiatives is the Ganga Godavari Screening Program, which continues to identify cancer incidence in women through preventative screening camps. It has benefited over 8,500 women in underserved communities over the past few years. In addition, the Young Health Program focuses on empowering young people to make informed health choices through health information centers in New Delhi and Karnataka, we have reached over 500,000 individuals, equipping them with valuable knowledge for a healthier future.

Furthermore, we have implemented Ambition Zero Carbon strategy, demonstrating our commitment to combating climate change. As part of our global AZ Forest Program, we have planted over 10.5 million trees worldwide since 2020, including dedicated efforts in India. We actively engage with the local community to ensure the sustainability of the sites where we initiated the plantation, fostering long-term environmental stewardship.

Looking Ahead

These are undeniably exhilarating times as we make remarkable progress in our community programs and persistently tackle healthcare challenges. We are dedicated to taking every possible measure to build a better future for healthcare. I am confident that we will demonstrate the transformational power of science.

As we consistently push the boundaries of science, we remain steadfast in upholding our values in all our interactions and taking decisive action.

Dr. Sanjeev Panchal
Managing Director

Harnessing Science to Create Novel Therapies

By leveraging the power of science and pioneering innovation, AstraZeneca is committed to developing transformative medications that have a profound impact on the lives of patients. As a leading global pharmaceutical company, AstraZeneca consistently delivers exceptional solutions and interventions while upholding a strong culture rooted in core values. The Company has earned widespread recognition as an outstanding workplace, driven by its unwavering dedication to sustainability, inclusivity, and diversity. Moreover, AstraZeneca's relentless passion for fostering a culture of continuous learning reinforces its steadfast commitment to achieving excellence.

AstraZeneca's Values



We follow science



We play to win



We are entrepreneurial



We do the right thing



We put patients first

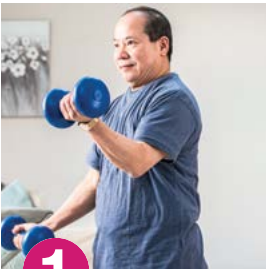
Strategic Priorities

Guided by the Company's unwavering dedication and fueled by its passion, AstraZeneca is resolutely working towards achieving its purpose and making a lasting impact in the lives of patients worldwide.

-  **Science and Innovation**
-  **Growth and Therapy Area Leadership**
-  **People and Sustainability**

Key Therapeutic Areas

AstraZeneca India is dedicated to leading in therapy areas where we believe we can make the most meaningful difference to patients.



1

Cardiovascular, Renal, and Metabolic (CVRM) Diseases



2

Oncology



3

Respiratory and Immunology

1 Cardiovascular, Renal, and Metabolic (CVRM) Diseases

AstraZeneca, a global leader in the fight against cardiovascular, renal, and metabolic (CVRM) diseases, demonstrates its unparalleled proficiency by addressing intricate medical conditions through patient-centric approaches. The Company's dedicated and interdisciplinary team strives to develop personalised and ground-breaking pharmaceuticals for a wide range of CVRM diseases. As the prevalence of obesity increases and populations continue to age, the risks associated with CVRM escalate.

The Company prioritises enhancing access to medication, advancing its research and development pipeline, and spearheading healthcare innovation to revolutionise the care provided to individuals with CVRM diseases. With its scientific expertise in patient outcomes, AstraZeneca aims to prevent and ultimately cure CVRM diseases.

2 Oncology

With a steadfast emphasis on early detection and intervention, AstraZeneca is actively working towards bringing patients closer to achieving a cure. By leveraging the potential of innovative medicines and novel combinations, the Company is wholly committed to combating metastatic or resistant forms of cancer and attaining significant treatment responses. Through groundbreaking research endeavors, AstraZeneca continuously identifies new biomarkers and therapeutic targets, thereby revolutionising both the diagnosis and treatment strategies employed in the fight against cancer.

Within its Oncology Business Unit, AstraZeneca acknowledges and considers the distinctive characteristics of each tumour, surpassing the constraints associated with the tumour-type classification. Propelled by an ambitious vision of delivering curative solutions for cancer across all stages, the Company diligently follows scientific advancements to unravel the intricate complexities of the disease.

3 Respiratory and Immunology

AstraZeneca is widely recognised as a leading authority in respiratory care, offering a comprehensive portfolio of inhaled and biologic medicines. Our paramount goal is to revolutionise the treatment landscape for asthma and chronic obstructive pulmonary disease (COPD). Our ambition is to transform Respiratory and Immunology care, moving beyond symptom control to disease modification, remission and, one day, cure. The Company is committed to transforming care for some of the most debilitating and chronic respiratory and immune-mediated diseases, with a portfolio of inhaled and biologic medicines and a pipeline for the future, seeking to address the challenges and vast unmet medical needs of patients.

By acknowledging the shared pathways and underlying factors between respiratory and immunological disorders, we seamlessly integrates these two fields. The Company meticulously follows the scientific evidence trail from chronic lung diseases to conditions driven by immune dysregulation. Within its Respiratory and Immunology Unit, a dedicated team relentlessly pursues disease control and clinical remission in targeted immune-driven disorders.

Product Portfolio



Science and Innovation

The enduring success of AstraZeneca is fueled by the immense power of science, enabling the Company to transform the future of healthcare. AstraZeneca is actively involved in creating the next generation of therapeutics, utilising diverse drug modalities such as advanced biologics, nucleotide-based treatments, and cell therapies.

The Approach

The Company is dedicated to harnessing the power of science and innovation in ways that have a positive impact on patients, healthcare systems, and the environment. AstraZeneca remains at the forefront of pipeline advancements and leads in the convergence of science, data, and technology. The vision of AstraZeneca revolves around delivering healthcare experiences and outcomes that are of utmost importance to patients, enabling them to lead fulfilling lives. Every decision made across the patient experience is informed by valuable insights from patients themselves, ensuring that their needs are prioritised.

In India, AstraZeneca's clinical trial current pipeline encompasses 64 global clinical studies covering multiple therapeutic areas. In 2022, the Company received three regulatory approvals, enabling the introduction of new medicines to Indian patients. These endeavors expand access to innovative treatments and contribute to improving healthcare outcomes for patients in the country.

Paving the Way for Research and Development

Empowered by advancements in digital technology, data analysis, and artificial intelligence, AstraZeneca is witnessing the accelerated progress of scientific knowledge in understanding diseases, predicting treatment outcomes, delivering transformative medicines, and enhancing patient engagement within and beyond clinical settings. Recognising that achieving these goals requires collaborative efforts, the Company actively collaborates with external partners across academia, biotech, and industry in India. This collaborative approach allows them to tap into the best talent and expertise to tackle complex healthcare challenges.

Shaping a Healthier India through Collaboration and Innovation

Established in 2019 through a tri-partite collaboration between the Swedish Trade Commissioner's office, AIIMS New Delhi, AIIMS Jodhpur, AstraZeneca, and the National Association of Software and Services Companies (NASSCOM) CoE IoT, the A.Catalyst Network's India Health Innovation Hub has a significant role in shaping a healthier India, both in the present and the future. This collaboration was facilitated in partnership with the India-Sweden Healthcare Innovation Centre (ISHIC).

With a vision to make healthcare affordable and accessible to all, the A.Catalyst Network's India Health Innovation Hub strives to foster a collaborative ecosystem of open innovation. Its primary mission is to support startups in addressing healthcare challenges across the country, ultimately improving patient lives through enhanced collaboration and a steadfast commitment to quality care.



ISHIC, as a key component of the hub, aims to accelerate the adoption of innovative healthcare solutions in clinics and hospitals throughout India, making healthcare more patient-centric, affordable, and accessible. By providing a platform for Indian and foreign innovators to work alongside leading doctors, the hub ensures that solutions are well suited to real-world medical settings, bridging the gap between scientific advancements and their practical implementation.



In collaboration with ISHIC, AstraZeneca serves as the knowledge partner and has initiated pilot projects in various states.

- **Qure.ai**, which utilises AI-powered chest X-Ray analysis for the detection of lung nodules (precursors of lung cancer).
- **Alveofit**, which offers a handheld digital spirometer for Pulmonary Function Tests (PFTs)—the primary diagnostic tests for pulmonary obstructive diseases.
- **Tricog**, an AI-powered ECG interpretation software that enables round-the-clock intervention by human experts. The Tricog tool provides rapid ECG reports within five minutes across India, validated by experts, aiming to reduce the critical golden hour in the event of a cardiac emergency.

These projects are focused on shaping early diagnosis in critical areas such as lung cancer, pulmonary obstructive diseases (COPD, asthma), and cardiovascular diseases.

Growth and Therapy Area Leadership

As the burden of disease grows and the population ages, we believe that science is key to helping unlock the answers to healthcare challenges.

The Approach



Harnessing the Company's cutting-edge scientific advancements to enhance the healthcare experience, making it more tailored, accurate, and easily accessible.



Actively collaborating with the entire healthcare ecosystem and forging visionary partnerships that foster positive transformations and yield favourable outcomes.



Delivering exceptional growth within the Company's therapy areas and regions, positioning ourselves as industry leaders.

CVRM

AstraZeneca is deeply engaged in unravelling the underlying causes of CVRM diseases. The Company identifies novel targets linked to disease biology, paving the way for the development of the next generation of therapeutics.

The global burden of CVRM diseases on individuals, economies, and healthcare systems is staggering. The increasing rates of obesity, coupled with an aging population, will significantly amplify the risk of CVRM diseases in the coming decade. Many of these conditions are currently underdiagnosed and undertreated. AstraZeneca aims to provide the right medicines and tailored solutions to specific patient populations, addressing the challenges across the entire CVRM spectrum.



Project Heart Beat

This initiative focuses on accurate and early diagnosis of severe chest pain patients at remote General Practitioner (GP) clinics through the use of Artificial Intelligence (AI)-enabled ECG machines. The goal is to provide appropriate care and ensure the timely transfer of critical Myocardial infarction (MI) patients to specialist Cardiac Hubs, thereby saving lives. AstraZeneca has established 25 Cardiac Hubs and connected 125 remote GP clinics. Till date, 49,087 severe chest pain patients have been screened, with 20,696 abnormal ECGs diagnosed and 3,280 critical MIs identified in under 4 minutes. These patients received timely medical care at GP clinics or the Cardiac Hubs as needed.

The project received recognition from the IHW Council for Digital Health award in 2022, AstraZeneca Global for its leading patient-centricity program, and was featured in the AZ Global Sustainability Report for providing equitable access to healthcare.



Project SEARCH

AstraZeneca collaborated with the Indian Society of Nephrology (ISN) to conduct chronic kidney disease screening for 'At-risk' patients with Type 2 diabetes mellitus (T2DM) and hypertension (HTN) to enable early identification and timely action. The screening program was conducted across India in collaboration with 1,500 physician clinics and 20 public-sector hospitals, reaching approximately 1,40,000 patients. Initial reports indicate that 30-35% of patients were identified with abnormal Urinary Albumin-to-Creatinine Ratio (UACR). The data is currently being reviewed for publication by the Indian Society of Nephrology.



Disease Awareness

AstraZeneca had dedicatedly laid emphasis on generating disease awareness among people. It leveraged the Company's digital and social media assets to educate the community at large about cardiovascular disease, diabetes, and their complications. The Company collaborated with the Research Society for the Study of Diabetes in India (RSSDI) and the ISN to co-create content and conduct LIVE expert programs. Some of AstraZeneca's key platforms have now matured and are well-recognised amongst HCPs and patients who seek authentic disease information. In 2022, the #BeyondSugar and #HeartMitra campaigns generated 600 patient education posts and conducted 90 live expert sessions with leading diabetologists, cardiologists, and nephrologists across the country. The content reached 36 million social media users and recorded 7.5 million video views.

49,087

Chest pain patients screened

20,696

Abnormal ECGs diagnosed

3,280

Critical MIs identified in under 4 minutes

1,40,000

Patients reached through Project SEARCH

~35%

Patients identified with UACR

600

Number of patient education posts

90

Live expert sessions



Growth and Therapy Area Leadership

Oncology

AstraZeneca is committed to advancing the frontiers of scientific discovery to bring about remarkable transformation in the field of Oncology. The goal is to improve the lives of cancer patients by enabling access to novel treatment solutions. The strategy entails the introduction of new scientific platforms that strike cancer from multiple dimensions, involving the direct targeting of cancer cells and the activation of the immune system. AstraZeneca strives to achieve a deeper and more durable response by deploying both monotherapy and combination approaches, thus targeting various aspects of cancer, including genetic mutations, DNA damage response, epigenetics, and immune system activation.

The ambition is to follow the science to discover, develop, and deliver life-changing treatments and have a transformative impact on the lives of those living with cancer. Detecting and treating cancer at an early stage is crucial in improving five-year survival rate for people with largely prevalent cancers in India, such as lung, gastro-intestinal, and breast cancers, as the possibility for a potential cure is at its peak.

Towards the objective of transforming Cancer Care, AstraZeneca strives to build partnerships and collaborations with ecosystem players, harnessing their capabilities and expertise towards solving some of the structural challenges in improving patient outcomes. As part of the A.Catalyst network, constant evaluation of technology solutions, such as computational pathology, circulating tumor DNA (ctDNA) testing, digital health, and data science/AI is undertaken.

Lung Ambition Alliance

The Lung Ambition Alliance is a pioneering global initiative that seeks to revolutionise the landscape of lung cancer treatment by bringing together the resources and expertise of patient organisations, medical and scientific societies, and industry partners. The aim is to accelerate progress and achieve the ambitious goal of doubling the five-year survival rate for early-stage lung cancer patients worldwide. The collaborative approach, rooted in diversity and inclusivity, ensures the identification and addressing of the most pressing needs in the field, ultimately improving outcomes for those affected by this devastating disease.

In India, a start has been made with 18,000+ scans during the FY 2022-23, with a determination to accelerate the journey towards making a significant impact and taking the steps to achieve early detection through strategic tie-ups with hospital networks and the Government. With an aspiring plan to conduct a much higher number of scans in the forthcoming year, AstraZeneca is committed to creating a transformative change in the healthcare landscape of India. The unwavering dedication and persistent focus on achieving this goal will not only improve the health outcomes of people but also inspire a sense of hope and optimism in the fight against cancer.

HRD Testing for Ovarian Cancer

The transformation of the diagnostic landscape with Homologous Recombination Deficiency (HRD) testing for ovarian cancer has been a game-changer for precision medicine. By bringing together global and local expertise in diagnostics and promoting the science of HRD testing, AstraZeneca has been able to help reduce the cost burden on patients, cutting the cost of testing by more than 50%. In addition to transforming the diagnostics landscape by accelerating HRD testing adoption, AstraZeneca has also improved the overall treatment outcome, thereby affecting the survival rates positively. During FY 2022-23, the utilisation of HRD tests multiplied manifold, registering an increase of 483% over the previous year. The mission is to continue to develop innovative solutions that have a lasting impact on the healthcare industry and make a memorable difference in the lives of millions of people.



Pink Dot Program

As AstraZeneca strengthens its focus on breast cancer, the initiative of the Pink Dot Program is another testament manifesting the commitment to personalised care and emphasising the pursuit of saving lives and empowering breast cancer patients. Through gBRCA testing and imparting genetic counselling for early breast cancer, AstraZeneca identifies patients at higher risk. Additionally, the Company develops personalised risk-reducing strategies and targeted interventions to proactively prevent the onset of the disease.

Respiratory and Immunology

A renowned leader in respiratory care across inhaled and biologic medicines, AstraZeneca is dedicated to transforming care in respiratory and immune-mediated diseases. The Company aims to go beyond symptom control and achieve disease modification, remission, and, ultimately, a cure for millions of patients worldwide.

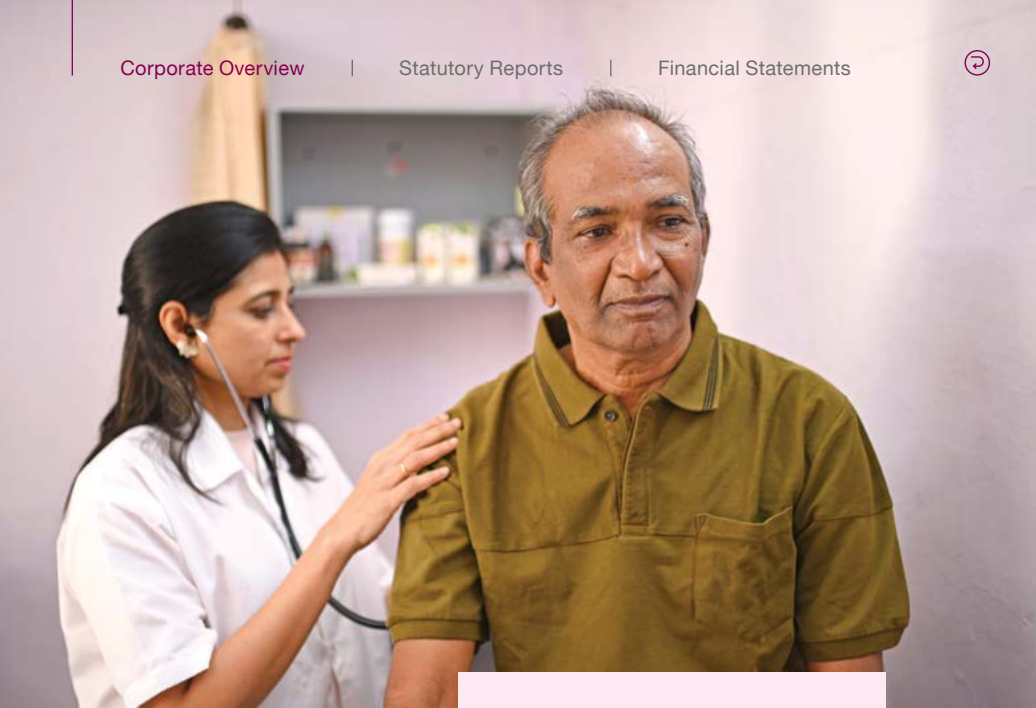
Addressing Asthma

In India, there is a significant burden of chronic respiratory illness, particularly asthma. With 34.3 million asthma patients, accounting for 13.09% of the global burden, the country faces a major challenge. Poor air quality due to pollution in major cities remains a significant cause of the high respiratory disease burden.

Severe asthma, which causes substantial morbidity and mortality, affects a large number of people in India. The diagnosis and treatment of severe asthma require a comprehensive and personalised approach. Specialised treatment centers, continued medical education, and research on disease prevalence are crucial needs. Severe asthma has evolved into a complex and heterogeneous disease with multiple underlying drivers. Despite advancements in understanding its pathophysiology and the availability of reliable diagnostic tools, severe asthma remains poorly managed in India.

Severe Asthma Clinics

AstraZeneca's contributions to helping asthma patients include the introduction of Symbicort, an inhaled corticosteroid (ICS) and long-acting beta-agonist (LABA) combination with an innovative delivery mechanism. Our Company's representatives provide support to patients using Symbicort to ensure optimal disease control through correct device usage.



▲ 17%
Market category growth in FY 2022-23

▲ 483%
Increase in utilisation of HRD tests for ovarian cancer

18,000+
Number of lung cancer scans in FY 2022-23

For many years, Oral Corticosteroids (OCS) have been the standard treatment for severe asthma, but their long-term use is associated with multiple side effects and a burden on patients' quality of life. AstraZeneca advocates for evidence-based guidelines and the adoption of strategies to reduce OCS dependency.

The launch of Fasenra in India in April 2021 provided a better treatment option for severe eosinophilic asthma patients. Fasenra is an add-on maintenance therapy that targets eosinophils, a key cause of the eosinophilic subtype of asthma. Administered once every eight weeks through subcutaneous injection, Fasenra is not an inhaler or a steroid. Studies have shown that it can significantly reduce oral steroid intake, thereby reducing potential steroid-related side effects.

AstraZeneca's commercial and medical teams actively engage with leading pulmonologists to disseminate the robust clinical and real-world evidence of Fasenra across India. To standardise the management of severe asthma patients, the Company is establishing Severe Asthma Clinics. These clinics focus on four key pillars: Identifying the right patient profile for severe asthma, enhancing patient awareness through education, providing a dedicated curriculum for respiratory specialists, and developing an academy for asthma counsellors to assess patient care techniques, ensure medication adherence, and monitor asthma control.

People and Sustainability

AstraZeneca’s unwavering trust in the power of science continues to inspire sustainable growth and transformative breakthroughs in the future of healthcare, benefiting people, society, and the planet. The Company’s purpose and unwavering commitment to ethical conduct underpin its efforts to build healthier societies and foster partnerships aimed at tackling significant health challenges

The Approach

Sustainability is deeply ingrained in AstraZeneca’s approach, leveraging the power of science, innovation, and its global reach to create a healthy future for all stakeholders. The Company actively contributes to addressing pressing global challenges such as climate change, healthcare accessibility, and disease prevention. A science-led approach, coupled with a commitment to acting with integrity in accordance with its values, enables AstraZeneca to drive positive impact and transform the future of healthcare.

Three-pronged Sustainability Ambitions



Access to Healthcare

Increasing access to life-saving treatments, promoting prevention, and strengthening global healthcare resilience and sustainability



Environmental Protection

Accelerating the delivery of net-zero healthcare, proactively managing the Company’s environmental impact across all activities, and investing in nature and biodiversity



Ethics and Transparency

Ensuring ethical, open, and inclusive behaviour across all aspects of our operations

AstraZeneca's dedication to sustainability goes beyond the impact of its life-changing medicines, as it integrates sustainability principles across all aspects of its operations.

Access to Healthcare

AstraZeneca's initiatives are dedicated to increasing access to healthcare by implementing preventative cancer screenings in underserved communities and facilitating remote consultations with specialists, thereby addressing the healthcare needs of vulnerable populations.

Ganga Godavari Screening Program

The flagship initiative, the Ganga Godavari Screening Program, continues to prioritise the early detection of cancer in underserved communities, specifically focusing on women aged between 30 and 60 years. Now in its third year, the program has expanded its reach to multiple regions and established collaborations with the Indian Cancer Society (ICS) and CAPED India to amplify its impact.

Complementing the National Cancer Grid

AstraZeneca initiated a program to support the National Cancer Grid (NCG), an Indian government initiative aimed at improving standards of care for cancer patients. Through collaboration with Navya, remote consultations with cancer specialists at Tata Memorial Center and other NCG centers were facilitated. This program has greatly benefited 157 patients across India, particularly aiding low-income individuals in receiving high-quality care.

130

Cancer screening camps for women organised

8,500

Women benefited

1,100

Women were identified as at risk and referred for further medical treatment



Ganga Godavari Screening Program

People and Sustainability

Young Health Program

The Global Young Health Program, established in partnership with the John Hopkins School of Public Health and Plan International, focuses on enhancing health outcomes for vulnerable youth. In Delhi and Karnataka, the program has been implemented through peer educators who act as influential figures within their communities, spreading awareness about the harmful effects of behaviors such as tobacco and alcohol consumption, smoking, and unhealthy lifestyles. The initiative in Karnataka has six Health Information Centers (HICs) successfully operating in various communities. These centers empower young people, raise awareness among parents and teachers, strengthen health services, and advocate for institutional support and policy environments for non-communicable disease (NCD) prevention.

130,000

Number of people reached through campaigns and interventions in new territories

Community Engagement and Government Support

AstraZeneca strategically engages with local government bodies and health offices in Karnataka, including the Ministry of Health and Family Welfare (MoHFW) and the NCD Cell, as well as national health mission teams. This collaboration strengthens grassroots connections and enables the refinement of strategies for effective work in new communities.

Peer Educator Identification and Training

The program places significant importance on identifying and training peer educators for young people, who play a crucial role in spreading knowledge about NCD risk behaviors among their peers in schools and communities. These peer educators serve as agents of change, utilising various platforms such as observing important health days, the Nehru Yuva Kendra Sansthan (NYKS), the Rajiv Gandhi National Institute of Youth Development (RIGNIYD), and collaboration with the Health Department to raise awareness among young people about NCD prevention.

To reinforce the program's message within the community, school teachers from government schools were sensitised and trained on the harms of alcohol and tobacco consumption, risky sexual behaviors, unhealthy diets, and physical inactivity. This enabled teachers to cascade the knowledge to young students in their schools.

Awareness Building for Health Promotion

Engaging the community in observing important health days became a continuous method of reiterating the message. The Young Health Program (YHP) team, along with peer educators, organised multiple mass events and campaigns on special health days to raise awareness among young people and community members. These events included medical sessions on NCDs and their risk factors, drawing competitions, video sessions, and health talks aimed at increasing awareness and addressing questions. In the previous year, over 6,000 young people participated in these events, virtually and physically, during the observance of about 12 health days.

Through interventions in new territories, the program reached approximately 1.3 lakh people, significantly raising awareness about NCDs, their causes, and their impacts. In line with the program's design, over 560 youth, 150 teachers, and 13 government facilitators were offered training on the subject.



AstraZeneca, in partnership with the Make-A-Wish Foundation, took the promise of care further by pledging to fulfil the wishes of around 550 critically ill children across the country. This initiative was aimed to enhance treatment adherence and advance the commitment to care. Conversations with healthcare professionals treating children have shown that granting a child's wish has a positive impact on their treatment journey. Granting wishes serves as a valuable complement to medical care, as it has been observed that patients feel better and are more likely to adhere to treatment protocols when their wishes are fulfilled. AstraZeneca India supported a series of 11 programs held across various cities in India, including Bengaluru, New Delhi, Mumbai, Kolkata, Vellore, Chennai, Hyderabad, and Ahmedabad, with the aim of connecting with as many children, between the ages of 3 to 18, and creating joyous memories.

Environment Protection

Acknowledging the intricate link between a thriving planet and the well-being of individuals, AstraZeneca adopts a science-based approach to proactively manage its environmental impact. The Company actively invests in biodiversity and nature conservation as part of its Ambition Zero Carbon ambition. Through the AZ Forest program, AstraZeneca collaborates with local governments and non-profit organisations worldwide to restore forests and promote biodiversity by planting trees. In India, the Company partnered with the SankalpTaru Foundation to plant and maintain geo-tagged trees, allowing for individual tracking and remote monitoring of their growth. These initiatives contribute to our efforts to achieve a healthier planet.



Young Health Program

 People and Sustainability

People

AstraZeneca is dedicated to the well-being and career development of its employees, providing tailored initiatives and fostering inclusivity. Through ongoing efforts, AstraZeneca has solidified its reputation as a preferred employer, exemplified by its Great Place to Work certification.

Focus Areas



Continuing to make AstraZeneca a Great Place to Work



Making it easier to work across therapy areas in India and deliver sustainable growth



Harnessing the power of science and innovation in ways that positively impact patients, healthcare systems, and the environment



Ensuring operating in the smartest way, increasing the speed of delivery of medicines to patients through the 'Future of Work' initiative

AstraZeneca is dedicated to cultivating an inclusive and fair environment in which every individual feels a sense of belonging. The Company recognises the value of its diverse talent and considers it a competitive advantage. A culture of continuous learning is nurtured, encouraging employees to enhance their skills and embrace the courage to challenge norms and explore new possibilities.

Efforts are made to streamline work processes, boost efficiency, and harness the power of digital technology to enhance the employee experience and improve patient outcomes. AstraZeneca envisions a future where affordable, sustainable, and innovative healthcare is accessible to all individuals, striving to make this vision a reality.

The Company empowers its employees through the implementation of a robust Code of Ethics. This code serves as a guiding framework, enabling individuals to make decisions that are aligned with the best interests of the Company and society as a whole.

Empowering People

- 1 Continued commitment to investing in employees, with a focus on attracting, retaining, and nurturing a skilled workforce
- 2 High scores consistently obtained in Pulse Surveys across various aspects, including Purpose and Values, engagement, health and well-being, sustainability, diversity and inclusion, organisational effectiveness, and talent and development



 People and Sustainability



Performing as an Enterprise Team

The Company's inclusion in the prestigious Great Place to Work rankings underscores its dedication to nurturing a highly engaged workforce. The fact that 84% of employees perceive AstraZeneca as an excellent place to work speaks volumes about the Company's focus on creating a positive and fulfilling work environment.

Building and Sustaining a Diverse Talent Pipeline

In keeping with the diverse needs of its patients and communities, the Company actively seeks, retains, and nurtures diverse talent across all levels of the organisation. To ensure inclusivity, AstraZeneca has implemented initiatives to promote diverse applicant pools and diverse interview panels during recruitment drives. Notably, the Company has observed a positive trend in gender diversity pipelining within its succession plan for critical roles, indicating the effectiveness of targeted talent conversations and recruitment strategies. This approach fosters a bottom-up approach to talent development across various career levels.

To Support the Growth and Development of Diverse Talent

AstraZeneca India introduced the NOW Mentoring Program in India, a comprehensive two-month learning journey. This program is specifically designed for women aspiring to embark on leadership journeys, providing them with access to information, tools, and resources that unlock their potential, facilitate their success, and instil the confidence necessary to seize new opportunities.

Additionally, the Company has launched Project iDEA (iDevelop, Engage, and Attain 4 Future) with the objective of strengthening its brand presence across undergraduate pharma and medical schools, while creating a talent pipeline for Sales/Medical roles. This initiative further aligns with the Company's commitment to Inclusion and Diversity (I&D), specifically targeting under-represented talent communities and groups, with a focus on promoting 'Women in Science' in India.

Creating a Culture of High Performance

AstraZeneca has undergone a transformation in its performance management approach, moving away from traditional performance ratings in recent years. Instead, the Company now emphasises coaching, development, and the contributions of its employees. The success of this approach is evident in the completion rate of end-of-year insights, indicating active employee engagement in the performance evaluation process. Regular coaching conversations provide opportunities for individuals to stretch and grow by identifying behaviors to continue and areas to adapt. Furthermore, AstraZeneca places great importance on continuous recognition as a crucial component of its performance development strategy.



Building a Culture of Lifelong Learning and Development

AstraZeneca recognises the importance of evolving employee capabilities to achieve its goals. The Company is dedicated to fostering a culture of lifelong learning and development, encouraging employees to take ownership of their growth through innovative experiences.

Leadership Journey: In-house Career Development Programs

The Company not only provides training on various skills and competencies but also offers in-house career development programs that enable employees to advance their careers while fulfilling their daily responsibilities. The Company emphasises lifelong learning through initiatives such as the 3E Approach (Experience, Exposure, and Education), an Annual Learning Calendar with regional and global offerings, Degreed Learning Experience Platforms, and cross-functional stretch assignments that go beyond the employees' current potential.

Champions of Inclusion and Diversity (I&D)

The Company's commitment to I&D is integral to its core values and the behaviors that support them. To ensure a psychologically safe and inclusive work environment, the Company has developed inclusive leadership personas that define the expected behaviors from everyone, regardless of their career level. These personas promote open-mindedness, active listening, and transparent decision making.

AstraZeneca has implemented various initiatives to foster inclusion, including conscious inclusion training, the activation of Employee Resource Groups (ERGs), an inclusion council, and employee discussion forums. Leaders are dedicated to creating a safe space for employees to express their thoughts and ideas. Key initiatives supporting this agenda include programs such as **Speak Up, Ask Me Anything** forums, **We Heard You** feedback mechanisms, town halls, leadership connections, and regular Pulse Surveys to gather employee feedback.



Programs Furthering Career Development Goals

1 AstraZeneca Development Academy and AstraZeneca Leadership Academy

These platforms provide a structured development path for employees aspiring to reach mid-managerial or senior managerial roles in sales.

2 Medical Accelerate

This is designed to offer a structured development path for junior management employees aspiring to advance to mid-managerial roles in medical affairs.

3 Azignite

This platform recognises employees for their innovative ideas and encourages them to explore new initiatives.

4 Development Centers (DC)

These platforms groom the succession pipeline and accelerate readiness for business-critical roles.

AstraZeneca Pharma India Limited

Registered Office: Block N1, 12th Floor, Manyata Embassy Business Park,
Rachenahalli, Outer Ring Road, Bengaluru - 560 045

CIN: L24231KA1979PLC003563, Web: www.astrazeneca.com/india

E-mail: comp.secy@astrazeneca.com, Tel: +91 80 6774 8000, Fax: +91 80 6774 8557

Notice

NOTICE is hereby given that the 44th Annual General Meeting of the Members of AstraZeneca Pharma India Limited will be held on Monday, August 14, 2023 at 3 p.m. through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM') to transact the following business:

ORDINARY BUSINESS

Item No. 1

To receive, consider and adopt the financial statements viz., the Audited Balance Sheet as at March 31, 2023, the Statement of Profit and Loss and the Statement of Cash Flows of the Company and Explanatory note annexed thereto or forming part of the above documents, for the financial year ended on that date and the Reports of the Board of Directors and Auditors thereon.

Item No. 2

To declare dividend of ₹ 16/- per share on equity shares for the financial year 2022-23.

Item No. 3

To appoint a Director in place of Ms. Weiying Sarah Wang (DIN: 08369289) who retires by rotation, and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

Item No. 4

To consider and if thought fit, to convey assent or dissent to the following Ordinary Resolution:

RESOLVED THAT pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2022/40 dated March 30, 2022, including any statutory modification(s) or amendments or re-enactment(s) thereof, approval of the Members be and is hereby accorded, to enter into contracts/arrangements/ transactions with AstraZeneca UK Limited, a 'Related Party' as defined under Section 2(76) of the Companies Act, 2013 and Regulation 2(zb) of the Listing Regulations for purchase, transfer or receipt of products, goods, materials, services, reimbursement/ recovery costs, reimbursement on account of transfer price or other obligations, if any, on such terms and conditions as may be mutually agreed upon between the Company and AstraZeneca UK Limited, for an amount not exceeding in aggregate ₹ 600 crore for the period from the 44th Annual General Meeting until the 45th Annual General Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and to finalise the terms and conditions as may

be considered necessary, expedient or desirable, in order to give effect to this resolution.

Item No. 5

To consider and if thought fit, to convey assent or dissent to the following Ordinary Resolution:

RESOLVED THAT pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2022/40 dated March 30, 2022, including any statutory modification(s) or amendments or re-enactment(s) thereof, approval of the Members be and is hereby accorded, to enter into contracts/arrangements/ transactions with AstraZeneca AB, Sweden, a 'Related Party' as defined under Section 2(76) of the Companies Act, 2013 and Regulation 2(zb) of the Listing Regulations for purchase, transfer or receipt of products, goods, materials, services, reimbursement/ recovery costs, reimbursement on account of transfer price or other obligations, if any, on such terms and conditions as may be mutually agreed upon between the Company and AstraZeneca AB, Sweden, for an amount not exceeding in aggregate ₹ 250 crore for the period from the 44th Annual General Meeting until the 45th Annual General Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and to finalise the terms and conditions as may be considered necessary, expedient or desirable, in order to give effect to this resolution.

Item No. 6

To consider and if thought fit, to convey assent or dissent to the following Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014, as amended to date, payment of remuneration of ₹ 2,00,000 (Rupees Two lakh only) plus applicable tax and reimbursement of out-of-pocket expenses at actuals, to M/s. Rao, Murthy & Associates, Cost Accountants, Bengaluru, (Firm Registration No.000065), appointed by the Board as Cost Auditors of the Company for conducting the cost audit of the cost records for the financial year ending March 31, 2024, be and is hereby confirmed, approved and ratified.

By Order of the Board of Directors
For **AstraZeneca Pharma India Limited**

Place: Bengaluru
Date: May 30, 2023

Rajesh Marwaha
Chief Financial Officer and Director

NOTES:

- Pursuant to the Ministry of Corporate Affairs ('MCA') circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 14, 2021, May 5, 2022 and December 28, 2022 (collectively referred to as 'MCA Circulars'), MCA has permitted the holding of the Annual General Meeting ('AGM') through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') and MCA Circulars, the AGM of the Company is being held through VC/OAVM.
- This Notice is being sent to the Members whose names appear in the List of Beneficial Owners received from National Securities Depository Limited/Central Depository Services (India) Limited ('Depositories'). In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, January 15, 2021, and May 13, 2022, Notice of the AGM along with Annual Report 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depository Participants.
- For Members whose e-mail addresses are not registered but mobile numbers are registered with RTA/Depositories, the weblink for downloading the Notice is being sent through SMS.
- Members who have not registered their e-mail address and in consequence could not receive the Notice may get their e-mail address registered with the RTA, by clicking the link: <https://www.integratedindia.in/emailupdtation.aspx> and following the registration process as guided thereafter. Post successful registration of the e-mail address, the Member will receive soft copy of the Notice and the procedure for remote e-voting along with the User ID and the Password to enable remote e-voting for this Notice. In case of any queries, Members may write to giri@integratedindia.in.
- Members are also requested to register their e-mail address, in respect of electronic holdings with the Depositories/Depository Participant and in respect of physical holdings with the RTA.
- With regard to the process of registration of e-mail address with the RTA, Members may get their e-mail address registered with the RTA, by clicking the link: <https://www.integratedindia.in/emailupdtation.aspx> and following the registration process as guided thereafter. Otherwise, Members are requested to send a request/communication till 48 hours prior to the closure of the voting period to the following e-mail address of the Company or RTA, by quoting the Folio No./Demat account No. The e-mail address of the Company and the contact details are comp.secy@astrazeneca.com/080 67748000 and RTA's e-mail address and the contact details are giri@integratedindia.in/080 23460815-18.
- Pursuant to the MCA Circulars, the facility to appoint proxy to attend and cast vote for the Members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

- The facility of participation at the AGM through VC/OAVM will be made available for Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- Since the AGM will be held through VC/OAVM, the route map is not annexed to this Notice.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended), and the MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-voting system as well as on the date of the AGM will be provided by NSDL.
- In line with the MCA Circulars, the Notice calling the AGM and the Annual Report for 2022-23 has been uploaded on the website of the Company at www.astrazeneca.com/india. The Notice can also be accessed from the 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 the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-voting facility) i.e. www.evoting.nsdl.com.
- The Statement pursuant to Section 102 of the Act/the Listing Regulations, setting out the material facts concerning items 4 to 6 of the Notice, being Special Business, is annexed hereto.
- Relevant documents referred to in the accompanying Notice calling the AGM, 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 Act are available for inspection by the Members electronically during the 44th AGM. Members seeking to inspect such documents can send e-mail to comp.secy@astrazeneca.com.
- Payment of dividend as recommended by the Board of Directors, if approved at the meeting, will be made to those Members whose names are on the Company's Register of Members on July 14, 2023 (record date) and those whose names appear as Beneficial Owners as at the close of business hours on July 14, 2023 as per the details furnished by the Depositories, viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

16. In accordance with the provisions of the Income Tax Act, 1961 as amended and read with the provisions of the Finance Act, 2020, with effect from April 1, 2020, dividend declared and paid by the Company is taxable in the hands of its Members and the Company is required to deduct tax at source (TDS) from dividend paid to the Members at the applicable rates. A separate e-mail will be sent at the registered e-mail ID of the Members describing about the detailed process to submit the documents/declarations along with the formats in respect of deduction of tax at source on the dividend payout. Sufficient time will be provided for submitting the documents/ declarations by the Members who are desiring to claim beneficial tax treatment.
17. Members holding shares in electronic form are advised to keep the bank details updated with the respective Depositories, viz. NSDL and CDSL. Members holding shares in certificate form are requested to update bank details with the Company's Registrar and Transfer Agents.
18. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated the listed companies to issue securities in dematerialised form only while processing service requests viz. issue of duplicate securities certificate; claim from unclaimed dividend account; exchange of securities certificate; sub-division of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Members are requested to contact Integrated Registry Management Services Private Limited at giri@integratedindia.in for the same.
19. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or Integrated Registry Management Services Private Limited, for assistance in this regard.
20. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
21. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number

(PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company. Further, the Non-Resident Indian Members are requested to inform to the RTA on change in their residential status on return to India for permanent settlement and 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.

22. Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred under Section 124 of the Act, to the Investor Education and Protection Fund, established under Section 125 of the Act. Further, as required under the said Act/ Rules, the Shares that are unclaimed by Members for seven consecutive years or more shall be transferred to the Investor Education and Protection Fund Authority. The Members/ claimants whose unclaimed dividends/shares have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in) along with requisite fee.

23. Details as required under the Listing Regulations and Secretarial Standards in respect of the Director seeking re-appointment at the AGM form an integral part of the Notice. The Director has furnished requisite declarations for re-appointment as applicable.

24. For any communication, the Members may also write to the Company's investor e-mail ID: comp.secy@astrazeneca.com.

25. Voting Through Electronic Means

In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system ("remote e-voting") will be provided by NSDL.

The instructions for e-voting are as under:

Step 1: Access to NSDL e-Voting System

A. Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail ID in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDEAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDEAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. 2. If you are not registered for IDEAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDEAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility for seamless voting experience.
Individual Shareholders holding securities in demat mode with CDSL.	1. Users who have opted for Easi/Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login of Easi/Easiest, the user will be also able to see the E Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login and new system Myeasi tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and E-mail as recorded in the demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants.	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forgot User ID and Forgot Password option available at abovementioned website.

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
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000/022 - 2499 7000.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

B. Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode

- (i)

Open internet browser by typing the URL: <https://www.evoting.nsdl.com/>.
- (ii)

Click on ‘Shareholder/Member’ - ‘Login’.
- (iii)

Type in your User ID, your password and a verification code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- (iv)

Your User ID details are given below.

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
(a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
(b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
(c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- (v)

Your password details are given below:

(a)

If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

(b)

If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

(c)

How to retrieve your ‘initial password’?

- If your e-mail ID is registered in your demat account or with the Company, your ‘initial password’ is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
- If your e-mail ID is not registered, you may get your e-mail address registered with the RTA, by clicking the link: <https://www.integratedindia.in/emailupdate.aspx> and follow the registration process as guided thereafter. Post successful registration of the e-mail address, you will receive soft copy of the Notice and the procedure for remote e-Voting along with the User ID and the Password to enable remote e-Voting for this Notice.

- (vi)

If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

(a)

Click on ‘Forgot User Details/Password?’ (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

(b)

Click on ‘Physical User Reset Password?’ (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

(c)

If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

(d)

Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- (vii)

After entering your password, tick on Agree to ‘Terms and Conditions’ by selecting on the check box.
- (viii)

Now, you will have to click on ‘Login’ button.
- (ix)

After you click on the ‘Login’ button, Home page of e-Voting will open.

Step-2: Cast your vote electronically and join General Meeting on NSDL e-voting System

- (i)

After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
- (ii)

Select ‘EVEN’ of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
- (iii)

Now you are ready for e-Voting as the Voting page opens.
- (iv)

Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on ‘Submit’ and also ‘Confirm’ when prompted.

- (v)

Upon confirmation, the message ‘Vote cast successfully’ will be displayed.
- (vi)

You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- (vii)

Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Other instructions:

- (i)

Institutional Members (other than Individuals, HUF, NRI, etc.) are also required to send a scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority Letter, etc., together with an attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser through e-mail on vijaykt@vjkt.in with a copy marked to evoting@nsdl.co.in.
- (ii)

It is strongly recommended that you do not share your new password and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the ‘Forgot User Details/Password?’ or ‘Physical User Reset Password?’ option available on www.evoting.nsdl.com to reset the password.
- (iii)

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Members and remote e-voting User Manual for Members available at the ‘Downloads’ section of www.evoting.nsdl.com or contact NSDL on toll free no. 022 - 4886 7000/022 - 2499 7000 or send a request at evoting@nsdl.co.in. Any query or grievance connected with the remote e-Voting may be addressed to Mr. Soni Singh, Assistant Manager or Ms. Sarita Mote, Assistant Manager at 022 - 4886 7000/022 - 2499 7000, or send a request at evoting@nsdl.co.in.
- (iv)

You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- (v)

The remote e-Voting period commences on August 10, 2023 (9.00 a.m. IST) and ends on August 13, 2023 (5.00 p.m. IST) for four days. During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date August 7, 2023 may cast their vote through remote e-Voting.
- (vi)

The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of August 7, 2023.
- (vii)

Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. August 7, 2023, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or giri@integratedindia.in. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using ‘Forgot User Details/Password’ option available on www.evoting.nsdl.com or contact NSDL at toll free no. 022 - 4886 7000/022 - 2499 7000.

- (viii)

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through e-voting. For the purpose of e-voting, a person who is not a Member as on cut-off date should treat this Notice for information purpose only.
- (ix)

The instructions for members for e-voting on the day of the AGM are as under:-

(a)

The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

(b)

Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

(c)

Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(d)

The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-Voting.
- (x)

The Board of Directors has appointed Mr. Vijayakrishna K.T. Practising Company Secretary, (Membership No. FCS 1788) as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner. Mr. Vijayakrishna has conveyed to the Company his willingness to act as such.
- (xi)

The Scrutiniser shall, immediately after the conclusion of voting at the meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than two (2) working days of conclusion of the meeting, a consolidated Scrutiniser’s Report of the total votes cast in favour or against, if any, to Chairman or a person authorised by him in writing, who shall countersign the same and declare the resolution of the voting, forthwith.
- (xii)

The Results declared along with the Scrutiniser’s Report shall be placed on the Company’s website www.astrazeneca.com/india and on the website of NSDL, immediately after the result is declared by the Chairman and communicated to the stock exchanges, where the equity shares of the Company are listed.
- (xiii)

Instructions for members for attending the AGM through VC/OAVM are as under:

(a)

Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.

- (b)

Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first cum first served basis.
- (c)

Members are encouraged to join the Meeting through Laptops for better experience.
- (d)

Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (e)

Please note that participants connecting from mobile devices or tablets or through laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (f)

Shareholders who would like to express their views/ask questions during the meeting may register themselves as
- a speaker and send their request mentioning their name, demat account number/folio number, e-mail id, mobile number at comp.secy@astrazeneca.com before 5 p.m. IST on August 8, 2023.
- (g)

Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. Members are requested to submit their questions at the times of registration, to enable the Company to respond appropriately.
- (h)

The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.
- (i)

Members who need assistance before or during the AGM, can contact NSDL at evoting@nsdl.co.in or contact Mr. Soni Singh, Assistant Manager or Ms. Sarita Mote, Assistant Manager at call at 022 - 4886 7000/022 - 2499 7000.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Item No. 4

The Company is engaged in the business of manufacturing and marketing of pharmaceutical products. The Company in its ordinary course of business and on arms’ length basis, enters into contracts/agreements/arrangements for purchase, transfer or receipt of products, goods, materials, services, reimbursement/ recovery costs, reimbursement on account of transfer price or other obligations with AstraZeneca UK Limited.

The above activities have been essential for the Company to carry out its business operations and maximise its growth and performance. The aggregate value of these transactions in a year might exceed 10% of the Company’s turnover. Being “material” in nature, pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is seeking the approval of members for the Related Party Transactions to be entered into by the Company with AstraZeneca UK Limited by way of an ordinary resolution for related party transactions for an aggregate value of an amount not exceeding ₹ 600 crore for purchase, transfer or receipt of products, goods, materials, services, reimbursements, recovery costs, reimbursement on account of transfer price or other obligations, for the period from the 44th Annual General Meeting till the 45th Annual General Meeting.

The purchases of materials and traded goods by the Company were based on agreement executed by the Company with AstraZeneca UK Limited and that the transactions were fair and at arms’ length basis and are being done in the course of normal business of selling imported products in the Indian market and other expense reimbursements are charged as per the agreed contract respectively. There is no special or unusual benefits, rights or privileges which are extended or given by the Company to the related party.

None of the Directors or Key Managerial Personnel of the Company and their relatives except Mr. Ankush Nandra and Ms. Weiying Sarah Wang, being representatives of AstraZeneca Group on the Board of the Company may be deemed to be concerned or interested in the resolution.

The Board recommends the Resolution as set out at Item No. 4 of this Notice for the approval of the Members.

The particulars of the contracts/arrangements/transactions are as under:-

Sl. No.	Particulars	Information
1	Name of the Related Party	AstraZeneca UK Limited
2	Names of Directors or KMP who are related	Mr. Ankush Nandra Ms. Weiying Sarah Wang (being representatives of AstraZeneca Group on the Board of the Company)

Sl. No.	Particulars	Information
3	Nature of Relationship	AstraZeneca UK Limited is the Parent Company of AstraZeneca Treasury Limited, United Kingdom, which is the Holding Company of AstraZeneca AB, Sweden, which in turn is the Holding Company of AstraZeneca Pharmaceuticals AB, Sweden and which in turn is the Holding Company of AstraZeneca Pharma India Limited.
4	Nature, material terms, monetary value and particulars of the transactions	Purchase, transfer or receipt of products, goods, materials, services, reimbursement/recovery costs, reimbursement on account of transfer price or other obligations on arm’s length basis, not exceeding ₹ 600 crore for the period from the 44 th Annual General Meeting till the 45 th Annual General Meeting. The limit represents 58% of the annual turnover of the Company for the financial year 2022-23.
5	Any other information relevant or important for the members	All important information forms part of the statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013 which has been mentioned in the foregoing paragraphs.

Item No. 5

The Company is engaged in the business of manufacturing and marketing of pharmaceutical products. The Company in its ordinary course of business and on arms’ length basis, enters into contracts/agreements/arrangements for purchase, transfer or receipt of products, goods, materials, services, reimbursement/ recovery costs, reimbursement on account of transfer price or other obligations with AstraZeneca AB, Sweden.

The above activities have been essential for the Company to carry out its business operations and maximise its growth and performance. The aggregate value of these transactions in a year might exceed 10% of the Company’s turnover. Being “material” in nature, pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is seeking the approval of members for the Related Party Transactions to be entered into by the Company with AstraZeneca AB, Sweden by way of an ordinary resolution for related party transactions for an aggregate value of an amount not exceeding ₹ 250 crore for purchase, transfer or receipt of products, goods, materials, services, reimbursements, recovery costs, reimbursement on account of transfer price or other obligations, for the period from the 44th Annual General Meeting till the 45th Annual General Meeting.

The purchases of materials and traded goods by the Company are based on agreement executed by the Company with AstraZeneca AB, Sweden and that the transactions are fair and at arms' length basis and are being done in the course of normal business of selling imported products in the Indian market and other expense reimbursements are charged as per the agreed contract respectively. There is no special or unusual benefits, rights or privileges which are extended or given by the Company to the related party.

None of the Directors or Key Managerial Personnel of the Company and their relatives except Mr. Ankush Nandra and Ms. Weiying Sarah Wang, being representatives of AstraZeneca Group on the Board of the Company may be deemed to be concerned or interested in the resolution.

The Board recommends the Resolution as set out at Item No. 5 of this Notice for the approval of the Members.

The particulars of the contracts/arrangements/transactions are as under:-

Sl. No.	Particulars	Information
1	Name of the Related Party	AstraZeneca AB, Sweden
2	Names of Directors or KMP who are related	Mr. Ankush Nandra Ms. Weiying Sarah Wang (being representatives of AstraZeneca Group on the Board of the Company)
3	Nature of Relationship	AstraZeneca AB, Sweden is the Holding Company of AstraZeneca Pharmaceuticals AB, Sweden, which in turn is the Holding Company of AstraZeneca Pharma India Limited.

Sl. No.	Particulars	Information
4	Nature, material terms, monetary value and particulars of the transactions	Purchase, transfer or receipt of products, goods, materials, services, reimbursement/ recovery costs, reimbursement on account of transfer price or other obligations on arm's length basis, not exceeding ₹ 250 crore for the period from the 44 th Annual General Meeting till the 45 th Annual General Meeting. The limit represents 24% of the annual turnover of the Company for the financial year 2022-23.
5	Any other information relevant or important for the members	All important information forms part of the statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013 which has been mentioned in the foregoing paragraphs.

Item No. 6

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Rao, Murthy & Associates, Cost Accountants (Firm Registration No. 000065) to conduct the audit of the cost records of the Company for the financial year ending March 31, 2024. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

None of the Directors or Key Managerial Personnel or their relatives, is concerned or interested in this resolution.

The Board recommends the Resolution set out at Item No. 6 of this Notice for the approval of the Members.

Annexure - I to Notice

Additional information on director recommended for re-appointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings:

Name of the Director	Ms. Weiying Sarah Wang
Age (years)	47
Date of Appointment/Re-appointment	August 10, 2020
Qualification(s)	LL.B, LL.M and J.D
Brief profile and nature of her expertise in specific functional areas	Ms. Weiying Sarah Wang is the Deputy General Counsel, International & Japan & HRVP International for AstraZeneca Global and has the responsibility for managing legal matters with a focus on major risk control, litigation, external investigation, business transactions and IP matter and HR matters with a focus on talent development, organisational efficiency and inclusion and diversity. Her Geographic responsibility includes Asia Area, Mid-east Africa, LATAM, Russia/ Eurasia, China, Australia and Japan. Prior to her current role, Ms. Weiying Sarah Wang was the Vice-President (Legal) for AstraZeneca Greater China region and prior to that was the Vice President (Legal) for Essilor Greater China region. She holds a LL.B from East China University of Politics and Law, Shanghai, China and an LL.M and a J.D in legal studies from Northwestern University School of Law, Chicago, Illinois.
Terms and conditions of Re-appointment	As per the resolution passed by the Members at the Annual General Meeting held on August 7, 2019, Ms. Weiying Sarah Wang was appointed as a Non-Executive Director, liable to retire by rotation.
Remuneration last drawn	Nil
Number of Meetings of Board attended during the year	4
Remuneration proposed to be paid	NA
Directorships held in other listed companies	NIL
Membership/Chairmanships of Committees of other listed companies	NIL
Shareholding in the Company (No. of shares)	NIL
Relationship between Directors, <i>inter-se</i>	None

By Order of the Board of Directors
For **AstraZeneca Pharma India Limited**

Place: Bengaluru
Date: May 30, 2023

Rajesh Marwaha
Chief Financial Officer and Director

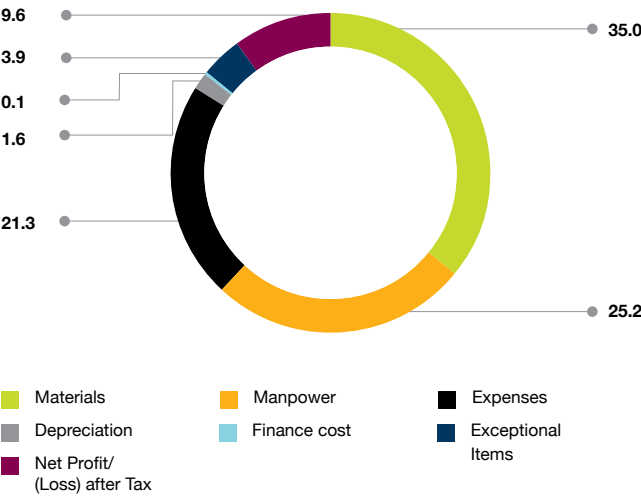
Board’s Report

Your Directors are pleased to present the 44th Annual Report together with the Audited Financial Statements of the Company for the financial year ended March 31, 2023.

Financial Results

Particulars	(₹ in million)	
	2022- 23	2021-22
Sales and Other Income	10,291	8,204
Profit/(Loss) Before Tax	1,341	830
Provision for Taxation		
- Income Tax	383	226
- Adjustment for Deferred Tax	(35)	(12)
Total Tax	348	214
Profit/(Loss) after Taxation	993	616
Other comprehensive income/(loss) for the year	(26)	(17)
Total comprehensive income for the year	967	599
Surplus brought forward from the previous year	3,790	3,241
Impact of Ind AS 116	-	-
Total amount available for appropriation	4,756	3,840
Appropriation made by Directors		
Transfer to General Reserve	-	-
Appropriation recommended by Directors		
Dividend	(200)	(50)
Tax on proposed Dividend	-	-
Surplus carried over	4,556	3,790

Distribution of Total Revenue (%)

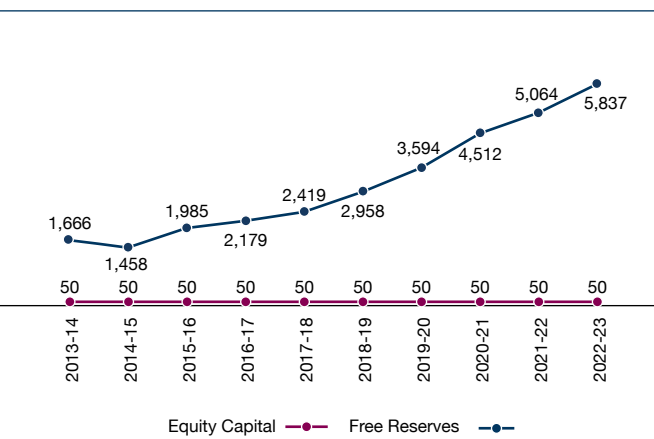


Dividend

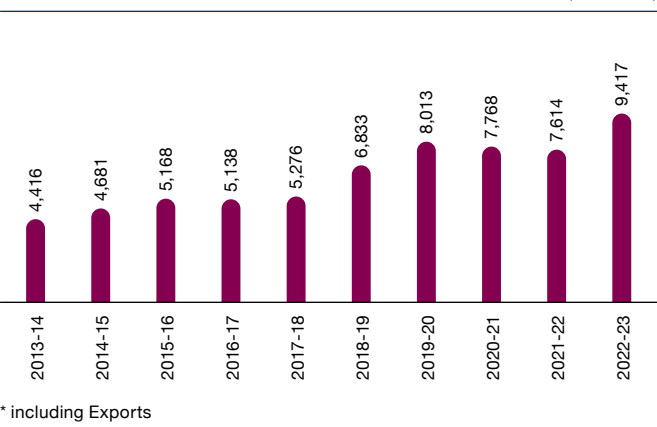
The Board is pleased to recommend a dividend of ₹ 16/- per equity share of ₹ 2 each, which if approved at the forthcoming Annual General Meeting, will be paid to all those equity shareholders of the

Company whose names appear in the Register of Members and whose names appear as beneficial owners as per the beneficiary list furnished for the purpose by National Securities Depository Limited and Central Depository Services (India) Limited as on record date fixed for this purpose.

Net worth



Sales and Marketing



Business

The Company registered product sales of ₹ 9,417 million versus last year sales of ₹ 7,614 million delivering growth of 24%. Also, Company achieved a total comprehensive income of ₹ 967 million, with a growth of 62%, during the financial year 2022-23.

Aligned to our global strategy, Growth through innovation strategy of the Company worked well with innovative molecules like Osimertinib (Tagrisso), Olaparib (Lynparza), Durvalumab (Imfinzi), Benralizumab (Fasenra) and Acalabrutinib (Calquence). Ticagrelor (Brilinta) is approved for treatment in Acute Coronary Syndrome (ACS) and used in high-risk Post MI patients further gaining momentum with an achievement of 26.5% growth year on year despite loss of exclusivity by parent company. Ticagrelor continues to be the market leader with value share of 19.9% as against 17.2% last year in Oral Anti Platelets (OAP) market as per IQVIA report MAT March 2023. Our continued focus on awareness of use of potent anti-platelet drugs in ACS including the correct diagnosis and science behind the product led us to this achievement despite the presence of several generics in the market.

In the current year (2022-23), Fasenra the first Biologic from AstraZeneca to treat Severe Eosinophilic Asthma (SEA) has touched more than 400 Patients. Fasenra has gained significant traction amongst Pulmonologists. It is regarded as the most effective, convenient and safe therapy for SEA.

Forxiga franchise, as part of the SGLT2 class of drug (Sodium Glucose Cotransporter Inhibitors), grew despite strong headwinds from several companies who launched generic versions of Dapagliflozin. We continue to focus on high science and approval of Forxiga 10 mg in new indications like HFrEF & CKD which are helping SGLT2 inhibitors to be used early for these indications irrespective of the presence of type 2 diabetes.

In the fiscal year of 2022-23, the Oncology Business achieved a notable double-digit growth of 48%. This success was bolstered to strong performance recorded by Tagrisso (Osimertinib), Imfinzi (Durvalumab) and Lynparza (Olaparib) showing healthy share gains India-wide, besides continued strong market growth coupled with the approval and launch of the following new indications:

1. TOPAZ 1 – It is the first global phase 3 study to report positive results of Imfinzi (Durvalumab) in combination with chemotherapy as the first line treatment for advanced Biliary Tract Cancer (BTC), a treatment setting with no major global treatment advancement in over a decade. The combination

was not only statistically significant but also showed clinically meaningful prolonged overall survival versus the comparative group on Chemotherapy & Placebo. This immunotherapy-based regimen is the new Standard of Care in the Treatment of Advanced BTC.

2. ADAURA – for the adjuvant treatment of patients with early-stage EGFRm non-small cell lung cancer (NSCLC) that recorded a noteworthy reduction of 79% in disease recurrence or death with Tagrisso (Osimertinib). Updated results from ADAURA showed adjuvant Osimertinib continued to prolong the overall survival for these patients who receive adjuvant Osimertinib after surgical resection.
3. OlympiA – Lynparza became the first and only approved medicine targeting BRCAm in early breast cancer as adjuvant treatment for gBRCAm HER2-negative high-risk patients based on the OlympiA Phase III trial. This indication was launched in India in September 2022 and focussed through evidence generation (prevalence study) and diagnostic patient support programme in 2023.

Tagrisso (Osimertinib) has sustained its prominent position as the largest brand specialising in the treatment of Lung Cancer in India as per the recent IPSOS. In February 2022, the Company took a strategic decision to rationalise the price in the Indian market, as part of their unwavering commitment to enhance patient access to innovative treatments and in recognition of the affordability challenges faced by patients seeking such therapies. This price change has been received well in the market and has led to 40% growth in new patient enrolments (April 2022 – March 2023) post sustainability programme implementation.

Lynparza (Olaparib), an Oral PARP Inhibitor used to treat PARP dependent tumors like ovarian cancer, breast cancer, prostate cancer and pancreatic cancer, which was launched in February 2019, continues to be a leader in Ovarian Cancer market. After having established BRCA testing as a standard procedure in Ovarian Cancer patients, the Company has now created partnerships with ecosystem in expanding on Homologous Recombination Deficiency testing capability in the market, helping more patients benefit from the available targeted treatment therapies like Olaparib.

Imfinzi (Durvalumab) was launched in October 2019 for the patients with unresectable, Stage III NSCLC whose disease has not progressed following platinum-based chemotherapy and radiation therapy and in extensive stage small cell lung cancer continues to progress well. The brand registered growth of 185% during the year.

We are delighted to announce that in the Therapeutic Area of Oncology, the Company has gained 12 positions in the last 3 years and is now ranked third overall. It is also the third fastest growing MNC in India as per the latest available IPSOS report MAT December 2022 (released in May 2023).

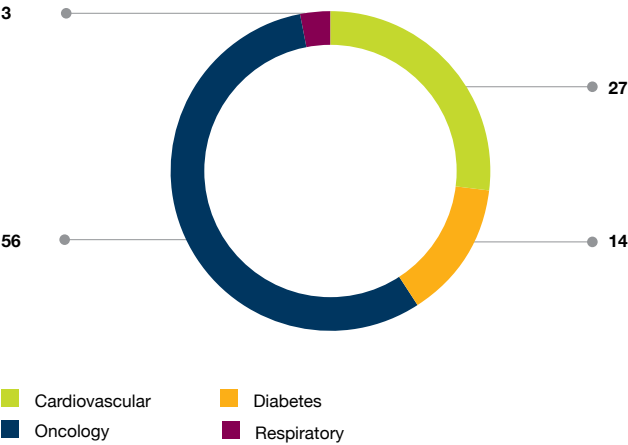
Last year, we saw new Covid variants surface which kept us alert enough to consider all the risks before coming back to normal. Concerned about their personal lives, employees were deeply concerned about the threat from COVID-19. While the world was stepping out of the pandemic environment, the Company did not lower its guard completely and collaborated with the Company’s medical team to build health and well-being advisory for the employees that guided the ways of working.

In tandem with government directives, from time to time we initiated two or three days of working from office to strike a balance between

business continuity and safety of the employees. All employees were advised to self-test and declare as they continued meeting external stakeholders as and when necessary. Meanwhile, technology and our omnichannel approach that was set up early, enabled us to continue work in a hybrid fashion. Teams connected with healthcare professionals and other stakeholders providing all support they needed to continue benefiting patients and ensure access to medicine. Our diverse mode of engagement continued last year that helped us to serve patients effectively.

Management has considered its liquidity position as at March 31, 2023 and over the next twelve months, by performing cash flow assessments and a sensitivity analysis thereon and has concluded that the Company will have adequate liquidity in the ordinary course of business.

Therapeutic Area wise Sales contribution (%)



Manufacturing

Despite the ongoing challenges in volatility, the factory delivered strong results for 2022. Our excellent safety and quality performance at manufacturing site continued with zero Lost Time Injury and no critical observations in both internal and external quality audits.

Our supply performance was strong with 100% stock availability and zero stockouts, ensuring unrestricted supply to patients.

Our lean and digital journey continues, focusing on low cost/no cost digital solutions. Multiple power apps dashboards have been deployed, giving us real time data, making our processes more efficient and providing significant tangible benefits.

Procurement saving targets were achieved by locally sourcing non-critical excipients and foil.

Productivity projects for site were:

- Rationalising pack sizes, such as Brilinta 4x14s and now Forxiga 7x14s.
- Moved to single shift operations
- Packaging Line balancing – by 2023 reduction of 2 packing lines

To deliver our bold ambition of zero carbon by 2025, the Operations has developed Carbon zero glidepath, with many initiatives such as:

- Air handling unit Ramp down
- Heat pump for HVAC system

- Quality Control Lab achieving My Green Lab Certification

The manufacturing site is now using 95-97% green energy. Further, there is zero discharge for effluent and the water is being treated and reused at site.

People are in the heart of everything we do, hence, the operations have rolled out many inclusion and diversity initiatives including manufacturing inclusion workshops for operators.

Material changes and commitment, if any, affecting financial position of the Company from the end of the Financial Year and till the date of this Report

There has been no material change and commitment affecting the financial performance of the Company which occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

Deposits

During the year under review, the Company has neither accepted nor renewed any deposits from the public within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

Safety, Health and Environment

During the year 2022, Safety, Health and well-being of employees continued to be an important focus area with an emphasis on COVID support. Teleservices and all new Employee Assistance Programme with new EAP partner were added to the We Care For You suite. We continued to distribute quality PPE on a regular basis to all teams in order to provide a safe working environment for our employees. Annual health check-up was rolled out for employees in field as well as in the head office of the Company.

Human Resources and Employee Relations

The Company is committed to provide career opportunities for its employees and enable their growth and development. There is continued focus on enabling career development and learning opportunities for the employees. During the year, the Company continued with developed focus by encouraging employees to take ownership of their development through innovative experiences. The Company also continued to invest in talent development programmes to accelerate our talent pipeline for country leadership roles with continued investment on education, exposure and experience through Global, Regional and Local programmes. The Company continues to transform from rating-based Performance Management approach to Performance Development approach focused on continuous coaching and feed forward culture.

Number of Employees

The total number of employees of the Company as on March 31, 2023 was 947 as against 1,183 as on March 31, 2022.

Legal Matters

In the last year’s Board’s Report, members were *inter-alia* informed about Arbitration proceedings initiated by National Highway Authority of India (NHAI) before Arbitrator at Bengaluru in relation to first acquisition of land made by NHAI in 2004 and the arbitration proceedings invoked by the Company seeking, *inter-alia*, enhancement of compensation from NHAI in respect of second acquisition of land made by NHAI in 2011. During the financial

year under review, the Arbitration proceedings initiated by NHAI in relation to first acquisition of land by NHAI in 2004 was heard by the Arbitrator and the same is now reserved for passing award. As regards Arbitration on second acquisition by NHAI, there has been no reportable development.

Further, the members were also informed about Writ Petition filed by the Company before the Hon’ble High Court of Karnataka challenging demand notice received from Bruhat Bengaluru Mahanagara Palike (BBMP) dated August 7, 2014 demanding improvement charges from the Company and the interim stay granted by the Hon’ble High Court of Karnataka. During the year under review, the matter was heard and reserved for judgement. However, the court has posted the matter back for further hearing, hence there is no reportable development.

In the last year’s Board’s Report, the members were also informed about the Company receiving a demand notice for an amount of ₹157.39 crore (and interest thereupon) under Trade Margin Rationalisation notification (‘TMR notification’) from National Pharmaceutical Pricing Authority (NPPA) alleging overcharging of a patented anti-cancer drug sold during the period of March 8, 2019 to January 31, 2021. The said drug has been included with certain other anti-cancer medicines, on which trade margin caps are applicable under TMR notification. Based on evaluation, management is of the view that the TMR notification is not applicable to the aforesaid patented drug and all applicable laws relating to the pricing of the product have been complied with. The Company has filed a Writ Petition before the High Court of Delhi challenging the NPPA’s demand notice, and the Writ Petition is currently pending hearing.

Transfer to Investor Education and Protection Fund

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in the financial year 2022-23.

Directors’ Responsibility Statement

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors state in terms of Section 134(5) of the Companies Act, 2013 (the Act):

- (a) that in the preparation of the annual financial statements for the year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- (b) that they had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended March 31, 2023 and of the profit and loss of the Company for the year ended on that date.
- (c) that they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) that they had prepared the annual financial statements on a going concern basis.
- (e) that they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

- (f) that they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

The details in respect of internal financial controls and their adequacy are included in the Management Discussion & Analysis Report, which forms part of this Report.

Disclosure as required under Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to provide a healthy environment to all its employees. There is zero tolerance of discrimination and/or harassment in any form. The Company has in place a Prevention of Sexual Harassment Policy and an Internal Complaints Committee as per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year under review, there was no complaint received by the Internal Complaints Committee.

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Board Meetings

During the financial year, 6 meetings of the Board were held. For details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this Report.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), performance evaluation exercise was carried out for evaluation of the performance of the Board as a Whole, the Chairman, Independent Directors and the Non-Independent Directors.

The Company had formulated a questionnaire to carry out the evaluation exercise. The questionnaire has been structured to embed various parameters based on identified criteria such as composition, functioning of board/committees, process, individual roles/obligations etc., and framework to carry out the evaluation effectively.

Further as part of the process, Chairperson of the Nomination and Remuneration Committee provided feedback to the Board members on the evaluation carried.

As required under Listing Regulations, the Independent Directors held a separate meeting on February 10, 2023. All the Independent Directors attended the meeting. The Independent Directors discussed/reviewed the matters specified in Regulation 25(4) of the Listing Regulations.

Nomination and Remuneration Policy of the Company

The Company has adopted a Nomination and Remuneration Policy relating to appointment and remuneration of Directors, Key Managerial Personnel and Senior Executives of the Company, which *inter alia* govern the selection/nomination of Board members, appointment to Senior Management levels, review and approval of their remuneration etc.

The policy is available at <https://www.astrazeneca.in/content/dam/az-in/pdf/files/AprNomination%20and%20Remuneration%20Policy.pdf>

Vigil Mechanism/Whistle-Blower Policy

The Company has a vigil mechanism for Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company’s code of conduct. The mechanism provides for adequate safeguards to Director(s)/ Employee(s) who avail of the mechanism. In exceptional cases, Directors and Employees have direct access to the Chairperson of the Audit Committee. The Whistle Blowing Policy is available at <https://www.astrazeneca.in/content/dam/az-in/pdf/2019/Whistle Blowing Policy.pdf>

Dividend Distribution Policy:

The Company has adopted a Dividend Distribution Policy which is annexed as Annexure – I, which forms part of this Report. The Dividend Distribution Policy is also available at <https://www.astrazeneca.in/content/dam/az-in/pdf/2017/Dividend%20Distribution%20Policy.pdf>

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information on Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed as Annexure – II, which forms part of this Report.

Related Party Transactions

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel and Senior Management which may have a potential conflict with the interest of the Company at large.

The Company entered into materially significant related party transactions with AstraZeneca UK Limited and AstraZeneca AB, Sweden for purchase, transfer and receipt of products, goods, material, services and reimbursement on account of transfer price or other obligations. The same is within the limits duly approved by the members at the 43rd Annual General Meeting.

Further, the Company has taken the approval of members of the Company at its 43rd Annual General Meeting for the transactions to be entered into by the Company with AstraZeneca UK and AstraZeneca AB Sweden which will be valid till the conclusion of 44th Annual General Meeting.

All related party transactions are placed before the Audit Committee for its prior approval. Omnibus approval of the Audit Committee is obtained for transactions which are repetitive in nature or when the need for them cannot be foreseen in advance.

The Company has adopted a Policy for dealing with related party transactions. The Policy as approved by the Board is available at <https://www.astrazeneca.in/content/dam/az-in/pdf/files/Policy%20on%20Related%20Party%20TransactionsS.pdf>

Details of the related party transactions as required under Section 134(3)(h) read with Rule 8 of the Companies (Accounts) Rules, 2014, are annexed as Annexure – III, which forms part of this Report.

Risk Management

The Company has in place a mechanism to inform the Board about the risk assessment and minimisation procedures and periodical review is carried out to ensure that executive management controls risks by means of a properly defined framework.

The Company has formulated a Risk Management Policy which will guide the Risk Management Committee and the internal team to effectively manage the risks that the business faces.

The details of Risk Management Committee and its terms of reference are set out in the Corporate Governance Report which forms part of this report.

Corporate Social Responsibility (CSR)

The Company’s trust in the power of science is sustaining and growing, helping us transform the future of healthcare and the health of people, society and the planet. At AstraZeneca, our purpose and our value of doing the right thing, impels us to strive towards building healthier societies, forging partnerships to tackle major health challenges.

Sustainability at AstraZeneca means harnessing the power of science and innovation and our global reach to build a healthy future for people, society and the planet.

The Company is playing it’s part in tackling the biggest challenges of our time, from climate change to access to healthcare and disease prevention. By using a science-led approach and ensuring we act with integrity and in accordance with our values, the Company is transforming the future of healthcare and making a positive impact.

The Company seeks to create value beyond the impact of our life-changing medicines, by embedding sustainability into everything.

Our three-pronged Sustainability ambition includes:

- Increasing access to life-saving treatments, promoting prevention and strengthening global healthcare resilience and sustainability.
- Accelerating the delivery of net-zero healthcare, proactively managing our environmental impact across all activities and investing in nature and biodiversity.
- Ensuring ethical, open and inclusive behaviour across.

Access to Healthcare

The Company’s flagship programme, the “Ganga Godavari Screening Programme” persisted in its mission to identify the incidence of Cancer in women early-on by conducting preventative screenings among underserved communities.

India has seen a significant increase in cancer cases over the years, particularly in the case of common cancers such as oral, cervical and breast cancers. The number of cases diagnosed in India has risen by 324% between 2017 and 2018. According to GLOBOCAN 2020, an article published by the International Agency for Research on Cancer, there were an estimated 19.3 million new cancer cases worldwide in 2020, which almost 10 million cancer deaths. The overall incidence of cancer was 2-3 times higher in transitioning countries as compared to transitioned countries for both sexes. Unfortunately, breast cancer and cervical cancer are the leading cause of cancer deaths in women in India. The death rates for female breast and cervical cancers were also considerably higher in transitioning countries than in transitioned countries. The global

cancer burden is further expected to rise to 28.4 million cases in 2040, a 47% increase from 2020, which highlights the urgent need for effective cancer prevention and control strategies in countries around the world.

Emerging out of the pandemic hit nation, we strategically chose geographies that were still coming out of the pandemic and needed to kick-start their access to healthcare initiatives in tandem with the support from local districts as well as the community.

The programme focused on spreading awareness and early detection of cancer in women especially between the age of 30-60 years. As we entered in third year of the programme, we spread our reach to multiple regions and on-boarded two partners for the programme i.e. Indian Cancer Society and CAPED India, to spread our work in more communities. With due support from Ministry of Health and Family Welfare, the programme was implemented in over 120 villages in and around Nasik, Mathura and Patna. In order to make the programme more sustainable, we replicated our tri-party support model that could bring in local medical support for patient reference and community-based intelligence to catalyse field work and outreach. Indian Cancer Society and CAPED supported our mission to detect cancer in women early by conducting specialised health camps to check for Ovarian, Breast and Cervical cancer. We also supported women who needed further diagnosis and treatment through a ‘Patient Navigation Programme’, in partnership with local hospital partner such as the Ramakrishna Mission Sevashrama Charitable Hospital and Path Sanjivani Charitable Trust in Mathura. In all, the programme this year organised over 130 camps and touched over 8,500 women out of which 1,100 women were found to be at risk of cancer and were referred for further medical treatment.

This year, the Company also initiated a programme to complement the National Cancer Grid, a Government of India initiative that links 280+ cancer centres across India with the objective of reducing disparities in standards of care by adopting evidence-based management guidelines. It is an attempt to ensure that low-income patients receive high standard of care.

The Company collaborated with Tata Memorial Centre Navya to help promote this initiative to standardise care that has been particularly beneficial in the aftermath of the COVID-19 crisis since it has enabled cancer patients to receive remote opinions through next-gen technology and stay out of hospital. The programme focused on helping patients receive consultations from cancer specialists at Tata Memorial Centre and other National Cancer Grid centres and the pilot this year helped 157 patients across India. Depending on need, sponsored a higher ratio of women to that of men (57 vs 43) and beneficiaries were from 17 different states and union territories with the majority coming from Tamil Nadu, Maharashtra and Uttar Pradesh. To honour our shared objective of helping every cancer patient get access to quality care, the Company has also extended its reach to patients in West Bengal, where the cancer burden is extremely high.

Our global ‘Young Health Programme’ has built a legacy with over a decade old work across multiple communities in Delhi and helped us build a strong roadmap as we replicate the programme in newer territories. This programme founded in partnership with John Hopkins School of Public Health and Plan International, AstraZeneca aims at improving health outcomes of vulnerable youth, by building awareness on the ill-effects of behaviours such as tobacco and alcohol consumption, smoking, unhealthy lifestyle etc. that could lead to Non-communicable diseases (NCD) such as

Cancer, Diabetes, heart ailments etc., in the long run. With a unique working model, this project is implemented by developing youth from the community itself as ‘Peer Educators’ who not only believe in the objective of the programme but also act as influencers in driving change within the community.

This year we completed one year of expanding our initiative in Karnataka.

With over 15 ‘Health Information Centres’ (HICs) in Delhi that are the focal points in identified communities helping us spread the right information on NCD Prevention and Management from generating awareness to identifying sustainable solutions to influence behaviour, we now have 6 HICs in unauthorised colonies of Mahadevpura, Varthur, Yelahanka, Dasarahalli and K. R. Puram in Bengaluru running successfully. Our primary objectives with this programme are:

- To empower young people through building knowledge and capacity on NCD prevention, enabling them to take informed decisions about their health, using peer education and community outreach.
- To increase awareness and knowledge of parents, teachers and community leaders on NCD prevention to create a supportive and enabling environment for young people.
- To strengthen health services in the targeted area for providing access to quality youth friendly sexual and reproductive health rights and NCD services.
- To advocate with state government for strengthening institutional systems and policy environment that supports NCD prevention and promotes the holistic health of young people.

We are refining our strategies to work in these new communities and have been able to capitalise on the support from local government in Karnataka including Ministry of Health and Family Welfare, NCD Cell and national health mission teams in not only implementing the programme but also strategically strengthening our grassroots connections by involving community government health offices.

Some of our activities in these communities include:

- Peer educator identification and training for young people, an integral process of the programme that helps to develop a cohort of peer educators and ambassadors to take the agenda forward in the community. The main focus of the training is to empower them with technical knowledge on NCD risk behaviours and how they can share this knowledge with their peers in schools and communities.
- These peer educators are working as agents of change in the community and using different platform including observation of days, Nehru Yuva Kendra Sansthan, Rajiv Gandhi National Institute of Youth Development Health Department for raising the voice of young people on NCD prevention.
- Training/sensitisation of school teachers from government schools on harms of alcohol & tobacco consumption, risky sexual behaviours, unhealthy diet and physical inactivity was a crucial activity to be able to reinforce the message in the community from all influencers. This helped in building knowledge of the teachers to cascade the knowledge forward to young people studying in school.
- Involving the community in observing important health days helped us reiterate the message in a continuous manner. YHP

team along with peer educators organised multiple mass events and campaigns on special days to raise awareness on health amongst young people and community members. About 12 health days were observed both virtually and physically with the participation of over 6,000 young people. These celebrations included medical sessions on NCD & its risk factors, drawing competition, videos sessions, and health talk to increase the awareness and address their questions.

With an intervention in new territories, we reached about 1.3 lac people and built large scale awareness on NCDs, its causes and impact. In lines with the design of the programme, we also trained 560+ youth, 150+ teachers and 13 government facilitators on the subject.

Taking the promise of care forward with an underlying objective of adherence to treatment, AstraZeneca India, in partnership with Make-A-Wish Foundation, pledged to fulfill the wishes of approximately 550 critically ill children across the country while upholding the goal of treatment adherence, advancing its commitment to care. During conversations with several healthcare professionals treating children, it has been demonstrated that granting a child’s wish made a positive difference in their treatment journey. This serves as a crucial complement to medical care and experts have noticed that patients feel better and are more likely to adhere to treatment protocols when their wishes are fulfilled. We backed a series of 11 events, either virtually or in-person, across Bengaluru, New Delhi, Mumbai, Kolkata, Vellore, Chennai, Hyderabad and Ahmedabad, in an effort to connect with as many children between the ages of 3 to 18 as possible and create joyous memories.

Environment Protection:

The Company recognises the connection between healthy people and a healthy planet and are using a science-based approach to proactively manage our environmental impact. The Company is actively investing in biodiversity and nature conservation, as we strive towards achieving our Zero Carbon ambition. The Company’s AZ Forest programme has already made significant strides, with over 10.5 million trees planted globally since 2020. Through the AZ Forest initiative, AstraZeneca is collaborating with local governments and non-profit organisations to restore forests and promote biodiversity by planting trees worldwide. In India, AstraZeneca associated with SankalpTaru Foundation and committed to plant and maintain geo-tagged trees. This innovative approach includes individual tracking of each plant, enabling us to monitor and manage their growth remotely.

The Corporate Social Responsibility Policy is available at <https://www.astrazeneca.in/content/dam/az-in/pdf/files/Corporate%20Social%20Responsibility%20PolicyS.pdf>

The Annual Report on CSR activities in terms of the requirements of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as Annexure – IV, which forms part of this Report.

Annual Return of the Company

In terms of the requirements of Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return is available at www.astrazeneca.com/india.

Details of remuneration of Directors/Key Managerial Personnel

The information relating to remuneration of Directors/Key Managerial Personnel as required under Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the Act, is annexed as Annexure – V, which forms part of this Report.

Particulars of Employees

The statement under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in Annexure – VI, which forms part of this Report.

However, the said Annexure shall be provided to Members on a specific request made in writing to the Company. The said information is open for inspection and any member interested in obtaining the copy of the same may write to the Company Secretary.

Management Discussion and Analysis Report

Management Discussion and Analysis Report as required under the Listing Regulations is annexed as Annexure – VII, which forms part of this Report.

Corporate Governance

A detailed report on corporate governance as required under the Listing Regulations is annexed as Annexure – VIII, which forms part of this Report. Certificate of the Practising Company Secretary regarding compliance with the conditions stipulated in the Listing Regulations forms part of the Report on Corporate Governance.

Reporting of Frauds

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or the Board, as required under Section 143(12) of the Act and Rules framed thereunder.

Particulars of Loans, Guarantees or Investments

During the year under review, the Company has not granted any Loan, Guarantee or made Investments within the meaning of Section 186 of the Companies Act, 2013.

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

During the year under review, there was no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company.

Committees

Pursuant to Section 178 of the Companies Act, 2013 and the rules made thereunder, the Board of Directors at its meeting held on May 30, 2014, had constituted the Nomination & Remuneration Committee and the Stakeholders’ Relationship Committee. Pursuant to Section 135 of the Companies Act, 2013 and the rules made thereunder, the Board of Directors at its meeting held on August 12, 2014 had constituted the Corporate Social Responsibility Committee. Further, pursuant to Regulation 21 of the Listing Regulations, the Board of Directors at its meeting held on February 6, 2019 had constituted the Risk Management Committee. Details of these Committees including the Audit Committee are furnished in the Corporate Governance Report.

Directors and Key Managerial Personnel

The Companies Act, 2013 provides for appointment of Independent Directors, who shall hold office for a term of up to 5 consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of a special resolution by the Company. Further, the provisions of retirement by rotation as envisaged under Section 152 of the Companies Act, 2013, shall not apply to such Independent Directors. The Independent Directors of the Company Mr. Narayan K. Seshadri, Ms. Revathy Ashok and Ms. Shilpa Shridhar Divekar, have furnished the required declaration under the provisions of Section 149 of the Companies Act, 2013, affirming that they meet the criteria of independence.

Changes to the Board of Directors

Pursuant to Section 152 of the Companies Act, 2013, Ms. Weiying Sarah Wang (Non-Executive Director), will retire by rotation at the ensuing Annual General Meeting and being eligible, offer herself for re-appointment. A resolution in this behalf is set out at Item No. 3 of the Notice of the Annual General Meeting.

During the year, Mr. Gagandeep Singh Bedi resigned from the office of Managing Director and also as Director of the Company with effect from the closing of business hours on December 31, 2022, consequent to transfer to a new position within AstraZeneca Group.

Based on the recommendations of the Nomination & Remuneration Committee, Mr. Rajesh Marwaha was re-appointed as the Whole-Time Director of the Company with effect from December 2, 2022 for a period of three years and Mr. Sanjeev Kumar Panchal was appointed as the Managing Director of the Company with effect from January 1, 2023 for a period of three years.

Pursuant to the provisions of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings, brief resume and other disclosures relating to the Director who is proposed to be re-appointed are given in the Annexure to the Notice of the 44th Annual General Meeting.

The details of familiarisation programme and annual board evaluation process for Directors have been provided in the Corporate Governance Report.

As on date, Mr. Sanjeev Kumar Panchal, Managing Director, Mr. Rajesh Marwaha, Chief Financial Officer & Director and Ms. Manasa. R, Company Secretary, are the Key Managerial Personnel of the Company.

Auditors

Statutory Auditor:

At the Annual General Meeting held on August 9, 2021, the present statutory auditors, M/s. Price Waterhouse & Co. Chartered Accountants LLP (Firm Registration No. 304026E/E-300009), were re-appointed as statutory auditors of the Company for a period of 5 years viz. till the conclusion of 47th Annual General Meeting.

Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amendments made thereto, the Company engaged the services of Mr. Vijayakrishna K.T., Practising Company Secretary to conduct the Secretarial Audit

of the Company for the financial year ended March 31, 2023. The Secretarial Audit Report in Form MR-3 is annexed as Annexure – IX, which forms part of this Report.

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

Cost Auditors:

The Board of Directors of the Company, based on recommendation of the Audit Committee, has appointed M/s. Rao, Murthy & Associates, Cost Accountants, Bengaluru, (holding Registration No. 000065), as Cost Auditor of the Company, for conducting the Cost Audit for the Financial Year 2023-24, on a remuneration as mentioned in the Notice convening the 44th Annual General Meeting.

A certificate from M/s. Rao, Murthy & Associates, Cost Accountants, has been received to the effect that their appointment as Cost Auditor of the Company is in accordance with the limits specified under Section 141 of the Act and Rules framed thereunder.

Cost Audit Report for the year 2021-22 was filed with the Ministry of Corporate Affairs on September 7, 2022.

The Company maintains the cost records as specified by the Central Government under Section 148 (1) of the Act.

Acknowledgements

Your Directors take this opportunity to thank AstraZeneca Pharmaceuticals AB, Sweden and AstraZeneca PLC, UK for their valuable guidance and strong support to the Company’s operations during the year.

Your Directors would also like to thank the Central and the State Governments, other Statutory and Regulatory Authorities, the Company’s Bankers, the Medical Profession and Trade, Vendors & Business Associates and the Members for their continued valuable support to the Company’s operations.

Your Directors place on record their sincere appreciation of the significant contribution and continued support of the employees at all levels to the Company’s operations during the year.

On behalf of the Board of Directors

Place: Bengaluru
Date: May 30, 2023

Narayan K. Seshadri
Chairman

Annexure I to Board’s Report

Dividend Distribution Policy

Background

The Securities and Exchange Board of India (‘SEBI’) has, vide its notification dated July 8, 2016 amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘the Listing Regulations’) by inserting a new Regulation 43A which mandates the top 1000 listed companies based on market capitalisation calculated as on March 31, of every financial year to formulate a Dividend Distribution Policy.

AstraZeneca Pharma India Limited (‘the Company’) being one of such top 1000 listed companies is accordingly required to formulate a Dividend Distribution Policy (‘the Policy’).

This Policy has been approved by the Board of Directors of the Company (‘the Board’) at its meeting held on November 11, 2016. The Policy will be applicable from the Company’s Financial Year 2016-17.

(a) Objective

The objective of the Policy is to reward the Company’s shareholders by sharing profits earned by the Company through payment of dividend, after ensuring that adequate funds are retained for sustaining its operations, needed capital expenditure and future growth of the Company.

The Policy is aimed at striking the right balance between the quantum of dividend paid to its shareholders and the amount of profits retained for its business requirements, present and future.

The Company will make dividend payments in line with this Policy.

(b) Types of Dividend

There are two types of dividend that may be paid by the Company to its Shareholders:-

(i) Final Dividend

The Board shall have the power at its meeting to recommend to the Shareholders for their approval at an Annual General Meeting, the declaration of dividend and the quantum of final dividend payable. The Board’s recommendation shall be based on the Company’s profits arrived at in accordance with the applicable provisions of the Companies Act, 2013 and the Rules made thereunder (Collectively, “the Act”), as per its annual audited financial statement and in line with this Policy. Upon the Shareholders approving at the Annual General Meeting the final dividend recommended by the Board, the Dividend shall be paid to all the Shareholders entitled to receive the same as on the Record Date/Book Closure Date determined by the Board in accordance with the applicable provisions of the Act.

(ii) Interim Dividend

The Board has the power to declare, at its complete discretion, one or more Interim dividends to the Shareholders during any Financial Year based on the Company’s financial position as per its quarterly/half yearly financial statements, in line with this Policy.

The Company shall pay applicable Dividend Distribution Tax on dividends declared and paid.*

The Board may at its sole discretion declare a Special dividend under certain circumstances such as extraordinary profits from sale of investments or on the Company attaining a significant milestone in its journey.

(iii) Declaration and Payment of Dividend (including Interim Dividend)

The declaration and payment of Dividend to the Shareholders shall be in accordance with the applicable provisions of the Act and the Rules framed thereunder for the time being and from time to time in force and in line with this Policy.

(c) Factors to be considered when declaring/paying Dividend

The decision regarding dividend pay-out is a crucial one, as it determines the amount of profit to be distributed amongst the Shareholders and the amount of profit to be retained in the Company’s business.

The dividend pay-out decision would depend upon the following external and internal factors:-

External Factors

- (a) **State of Indian Economy** – in case of uncertain or recessionary economic and business conditions, the Board will endeavour to retain larger part of profits to build up reserves for the future.
- (b) **Capital Markets** – when the markets are favourable, dividend pay-out can be liberal. However, in case of unfavourable market conditions, the Board may resort to a conservative dividend pay-out in order to conserve cash outflows.
- (c) **Statutory Restrictions** – The Board will keep in view the restrictions imposed by the Act and the Rules made thereunder in force from time to time and any other applicable statutory restrictions, obligations or impositions with regard to declaration of dividend.
- (d) **Corporate Tax** – The rate of Corporate Tax on dividend could be also a determining factor in deciding whether or not to declare dividend and/or its quantum.

Internal Factors

Apart from various external factors above-mentioned, the Board will take into account various internal factors when declaring dividend such as the following:-

- (i) Profits earned during the financial year;
- (ii) Present and future capital requirements of the existing businesses;
- (iii) Brand/Business Acquisitions;
- (iv) Expansion/Modernisation of existing businesses;
- (v) Additional investments of the Company;
- (vi) Obligations to creditors;
- (vii) Capital adequacy and liquidity maintenance;
- (viii) Any other factor as deemed fit by the Board.

(d) How retained earnings to be utilised by the Company

The profits earned by the Company may as per the Board’s assessment in the light of the above factors, may be retained in business or utilised for projected expansion/diversification, brand/business acquisitions, capital expenditure and for the growth of the business and the balance shall be distributed amongst the Shareholders by way of dividend in line with this Policy.

(e) Types of Capital

The Company has only equity share capital as on date. If in future, the Company issues preference share capital and if dividend is declared by the Board, the preference share capital will have priority to receive dividend in accordance with the terms of its issue before any dividend is paid in respect of equity capital in accordance with the applicable provisions of the Act and the Articles of Association of the Company.

(f) Disclosure of this Policy

The Company shall disclose this Policy on its website and in its Annual Report.

(g) Amendment

The Board may amend this Policy as and when deemed fit. Any and all provisions of this Policy shall be amended as needed due to business and economic conditions or regulatory changes from time to time.

(h) Review

This Policy shall be reviewed periodically by the Board.

*Note: Tax treatment shall be subject to applicable regulations.

Annexure II to Board’s Report

Details on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A. Conservation of Energy

(i) The steps taken or impact on conservation of energy:

The Company’s Manufacturing Facility is accredited with Gold Standard Rating under LEED (Leadership in Energy and Environmental Design) certification. The facility uses energy-saving HVAC System, all the HVAC operations is controlled by the building management system which enables the facility to be energy efficient.

Inhouse solar plant generates 80,000 to 90,000 KWH annually which caters to 12-18% of the site energy requirements.

As part of sustainability, LPG is being used as a fuel to boiler in place of diesel. Use of LPG is more environment friendly and cost effective.

Heat Pump for the chilled water system was commissioned during 2022-23. This uses the waste heat from the system to generate hot water for the air handling units, thus minimising the LPG consumption in boilers.

As part of the Zero Carbon and Energy Reduction Glidepath, air handling unit ramp down project was initiated and completed in 2022-23 which provides more than 25% reduction in energy consumption.

(ii) The steps taken by the Company for utilising alternate sources of energy:

The Company is using renewable energy concepts like:

- Solar power is catering to more than 95-97% of site power requirements including inhouse solar plant and power purchase agreement
- Usage of environment friendly LPG in place of diesel as Boiler fuel
- Rainwater Harvesting
- Heat pump commissioned for HVAC system
- Condensate water recovery system
- Natural air ventilation systems for Boiler house
- Usage of transparent roofing in utility areas to conserve lighting load.

(iii) The capital investment on energy conservation equipment:

- The Company’s investment into the existing Manufacturing Facility includes investments made on energy conservation equipment and systems

- Heat pump installation for HVAC system completed which uses the waste heat from chiller system and reduces the usage of LPG consumption
- Chemical less cooling tower for water conservation and direct – drive motors for air handling units under evaluation
- Usage of power saving LED fixtures in production, warehouse and street lighting
- Water stewardship plan in place for reducing water usage.

B. Technology Absorption

- | | | |
|----|--|------|
| 1. | The efforts made towards technology absorption | N.A. |
| 2. | The benefits derived like product improvement, cost reduction, product development or import substitution. | N.A. |
| 3. | In case of imported technology (imported during the last three years reckoned from the beginning of the financial year). | |
| | (a) The details of technology imported | |
| | (b) The year of import | |
| | (c) Whether the technology has been fully absorbed | |
| | (d) If not fully absorbed, areas where absorption has not taken place and reasons thereof | N.A. |
| 4. | The expenditure incurred on Research and Development | N.A. |

C. Foreign Exchange Earnings and Outgo

- | | |
|-----|---|
| (a) | Foreign Exchange earned in terms of actual inflows - ₹ 612 million. |
| (b) | Foreign exchange outgo in terms of actual outflows - ₹ 3,747 million. |

On behalf of the Board of Directors

Place: Bengaluru
Date: May 30, 2023

Narayan K. Seshadri
Chairman

Annexure III to Board’s Report

Form No. AOC-2

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

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm’s length basis:

During the financial year 2022-23, there was no contract or arrangement or transaction with the related parties, which was not at arm’s length and in the ordinary course of business.

2. Details of material contracts or arrangement or transactions at arm's length basis:

i.

- | | |
|-----|--|
| (a) | Name of the related party:
AstraZeneca UK Limited (AZ UK) |
| (b) | Nature of relationship: AstraZeneca UK Limited, is the Parent Company of AstraZeneca Treasury Limited, United Kingdom which is the Holding Company of AstraZeneca AB, Sweden, which in turn is the Holding Company of AstraZeneca Pharmaceuticals AB, Sweden and which in turn is the Holding Company of AstraZeneca Pharma India Limited. |
| (c) | Nature of contracts / arrangements / transactions: Purchase of raw materials and traded goods by the Company from AZ UK and reimbursement by and to AZ UK. |
| (d) | Duration of the contracts / arrangements / transactions: Agreement dated June 20, 2005 entered into by the Company with AZ UK, is ongoing. |
| (e) | Salient terms of the contract including value, if any: |

- | | |
|-----|---|
| (i) | Formulation, Packaging and Distribution Agreement dated June 20, 2005:

Nature: Formulation, packaging and resale of the products by the Company.

Credit period: 120 days

Transactions to take place at agreed transfer pricing.

Termination of Agreement by 6 months written notice by either party.

Monetary value of transaction(s) during 2022-23 is ₹ 3,021 million. |
|-----|---|

ii.

- | | |
|-------|---|
| (ii) | The Company has entered into an Agreement dated March 24, 2015 with AZ UK and later extended, the material terms of which are as follows:

Nature: Reimbursement of pre-launch cost for new launch products, on arm’s length basis.

Credit Term: 45 days

Termination of Agreement by 6 months written notice by either party.

Monetary value of transaction(s) during 2022-23 is ₹ 20 million. |
| (iii) | The Related Party has reimbursed the Company, cost of personnel who are on assignments with Related Party. The aggregate reimbursement made by the Related Party to the Company is ₹ 129 million. |
| (iv) | The Company has made payment towards reimbursement of expenses towards (a) employee share compensation reserve and (b) capital expenditure to the Related Party. The aggregate payment made to the Related Party by the Company is ₹ 20 million.

The aggregate value of transactions with AZ UK, a Related Party, during the financial year 2022-23 was ₹ 3,190 million. |
| (f) | Date of approval by the Board: Not applicable, as the transactions referred to above are in the ordinary course of business and on arm’s length basis. |
| (g) | Amount paid as advances, if any: Nil |
| (a) | Name of the related party: AstraZeneca AB, Sweden (AZ AB) |
| (b) | Nature of relationship: AstraZeneca AB, Sweden, is the Holding Company of AstraZeneca Pharmaceuticals AB, Sweden, which is the Holding Company of AstraZeneca Pharma India Limited. |
| (c) | Nature of contracts / arrangements / transactions: Purchase of raw materials and traded goods by the Company from AZ AB and reimbursement by AZ AB, the cost of employees deputed by the Company outside India. |
| (d) | Duration of the contracts / arrangements / transactions: Agreement dated January 1, 2013, is ongoing. |

Annexure IV to Board’s Report
Annual Report on CSR Activities

(e)	Salient terms of the contract including value, if any:	Monetary value of transaction(s) during 2022-23 is ₹ 612 million.	
	(i) Formulation, Packaging and Distribution Agreement dated January 1, 2013: Nature: Formulation, packaging and resale of the products by the Company. Credit Period: 120 days Transactions to take place at agreed transfer pricing Termination of Agreement by 2 months written notice by either party. Monetary value of transaction(s) during 2022-23 is ₹ 520 million.	The aggregate value of transactions with AZ AB, a Related Party,during the financial year 2022-23 was ₹ 1,132 million. (f) Date of approval by the Board: Not applicable, as the transactions referred to above are in the ordinary course of business and on arm’s length basis. (g) Amount paid as advances, if any: Nil On behalf of the Board of Directors	
(ii)	The Company has entered into an Agreement with AZ AB, the material terms of which are as follows: Nature: Reimbursement of costs for supply of services (a) pertaining to marketing and promotion of certain pharmaceutical products (b) clinical study. Credit Term: 45 days Termination of Agreement by 3 months written notice by either party.	Place: Bengaluru Date: May 30, 2023	Narayan K. Seshadri Chairman

1. A brief outline of the Company’s CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

Access to Healthcare:

The Company’s flagship programme, the “Ganga Godavari Screening Programme” persisted in its mission to identify the incidence of Cancer in women early-on by conducting preventative screenings among underserved communities.

India has seen a significant increase in cancer cases over the years, particularly in the case of common cancers such as oral, cervical and breast cancers. The number of cases diagnosed in India has risen by 324% between 2017 and 2018. According to GLOBOCAN 2020, an article published by the International Agency for Research on Cancer, there were an estimated 19.3 million new cancer cases worldwide in 2020, with almost 10 million cancer deaths. The overall incidence of cancer was 2-3 times higher in transitioning countries as compared to transitioned countries for both sexes. Unfortunately, breast cancer and cervical cancer are the leading cause of cancer deaths in women in India. The death rates for female breast and cervical cancers were also considerably higher in transitioning countries than in transitioned countries. The global cancer burden is further expected to rise to 28.4 million cases in 2040, a 47% increase from 2020, which highlights the urgent need for effective cancer prevention and control strategies in countries around the world.

Emerging out of the pandemic hit nation, we strategically chose geographies that were still coming out of the pandemic and needed to kick-start their access to healthcare initiatives in tandem with the support from local districts as well as the community.

The programme focused on spreading awareness and early detection of cancer in women especially between the age of 30-60 years. As we entered in third year of the programme, we spread our reach to multiple regions and on-boarded two partners for the programme i.e. Indian Cancer Society and CAPED India, to spread our work in more communities. With due support from Ministry of Health and Family Welfare, the programme was implemented in over 120 villages in and around Nasik, Mathura and Patna. In order to make the programme more sustainable, we replicated our tri-party support model that could bring in local medical support for patient reference and community-based intelligence to catalyse field work and outreach. Indian Cancer Society and CAPED supported our mission to detect cancer in women early by conducting specialised health camps to check for Ovarian, Breast and Cervical cancer. We also supported women who needed further diagnosis and treatment through a ‘Patient Navigation Programme’, in partnership with local hospital partner such as the Ramakrishna Mission Sevashrama Charitable Hospital and Path Sanjivani Charitable Trust in Mathura. In all, the programme this year organised over 130

camps and touched over 8,500 women out of which 1,100 women were found to be at risk of cancer and were referred for further medical treatment.

This year, the Company also initiated a programme to complement the National Cancer Grid, a Government of India initiative that links 280+ cancer centres across India with the objective of reducing disparities in standards of care by adopting evidence-based management guidelines. It is an attempt to ensure that low-income patients receive high standard of care.

The Company collaborated with Tata Memorial Centre Navya to help promote this initiative to standardise care that has been particularly beneficial in the aftermath of the COVID-19 crisis since it has enabled cancer patients to receive remote opinions through next-gen technology and stay out of hospital. The programme focused on helping patients receive consultations from cancer specialists at Tata Memorial Centre and other National Cancer Grid centres and the pilot this year helped 157 patients across India. Depending on need, we sponsored a higher ratio of women to that of men (57 vs 43) and beneficiaries were from 17 different states and union territories with the majority coming from Tamil Nadu, Maharashtra and Uttar Pradesh. To honour our shared objective of helping every cancer patient get access to quality care, the Company has extended its reach to patients in West Bengal, where the cancer burden is extremely high.

Our global ‘Young Health Programme’ has built a legacy with over a decade old work across multiple communities in Delhi and helped us build a strong roadmap as we replicate the programme in newer territories. This programme founded in partnership with John Hopkins School of Public Health and Plan International, AstraZeneca aims at improving health outcomes of vulnerable youth, by building awareness on the ill-effects of behaviours such as tobacco and alcohol consumption, smoking, unhealthy lifestyle etc., that could lead to Non communicable diseases (NCDs) such as Cancer, Diabetes, heart ailments etc. in the long run. With a unique working model, this project is implemented by developing youth from the community itself as ‘Peer Educators’ who not only believe in the objective of the programme but also act as influencers in driving change within the community.

This year we completed one year of expanding our initiative in Karnataka.

With over 15 ‘Health Information Centres’ (HICs) in Delhi that are the focal points in identified communities helping us spread the right information on NCD Prevention and Management from generating awareness to identifying sustainable solutions to influence behaviour, we now have 6 HICs in unauthorised colonies of Mahadevpura, Varthur, Yelahanka, Dasarhalli and K R Puram in Bengaluru running successfully. Our primary objectives with this programme are:

- To empower young people through building knowledge and capacity on NCD prevention, enabling them to take informed decisions about their health, using peer education and community outreach.
- To increase awareness and knowledge of parents, teachers and community leaders on NCD prevention to create a supportive and enabling environment for young people.
- To strengthen health services in the targeted area for providing access to quality youth friendly sexual and reproductive health rights and NCD services.
- To advocate with state government for strengthening institutional systems and policy environment that supports NCD prevention and promotes the holistic health of young people.

We are refining our strategies to work in these new communities and have been able to capitalise on the support from local government in Karnataka including Ministry of Health and Family Welfare, NCD Cell and national health mission teams in not only implementing the programme but also strategically strengthening our grassroot connections by involving community government health offices.

Some of our activities in these communities include:

- Peer educator identification and training for young people, an integral process of the programme that helps to develop a cohort of peer educators and ambassadors to take the agenda forward in the community. The main focus of the training is to empower them with technical knowledge on NCD risk behaviours and how they can share this knowledge with their peers in schools and communities.

These peer educators are working as agents of change in the community and using different platform including observation of days, Nehru Yuva Kendra Sansthan, Rajiv Gandhi National Institute of Youth Development, Health Department for raising the voice of young people on NCD prevention.
- Training/Sensitisation of school teachers from government schools on harms of alcohol & tobacco consumption, risky sexual behaviours, unhealthy diet and physical inactivity was a crucial activity to be able to reinforce the message in the community from all influencers. This helped in building knowledge of the teachers to cascade the knowledge forward to young people studying in school.
- Involving the community in observing important health days helped us reiterate the message in a continuous manner. YHP team along with peer educators organised multiple mass events and campaigns on special days to

raise awareness on health amongst young people and community members. About 12 health days were observed both virtually and physically with the participation of over 6,000 young people. These celebrations included medical sessions on NCD & its risk factors, drawing competition, videos sessions, and health talk to increase the awareness and address their questions.

With an intervention in new territories, we reached about 1.3 lakh people and built large scale awareness on NCDs, its causes and impact. In lines with the design of the programme, we also trained 560+ youth, 150+ teachers and 13 government facilitators on the subject.

Taking the promise of care forward with an underlying objective of adherence to treatment, AstraZeneca India, in partnership with Make-A-Wish Foundation, pledged to fulfill the wishes of approximately 550 critically ill children across the country while upholding the goal of treatment adherence, advancing its commitment to care. During conversations with several healthcare professionals treating children, it has been demonstrated that granting a child’s wish made a positive difference in their treatment journey. This serves as a crucial complement to medical care and experts have noticed that patients feel better and are more likely to adhere to treatment protocols when their wishes are fulfilled. We backed a series of 11 events, either virtually or in-person, across Bengaluru, New Delhi, Mumbai, Kolkata, Vellore, Chennai, Hyderabad, and Ahmedabad, in an effort to connect with as many children between the ages of 3 to 18 as possible and create joyous memories.

Environment Protection:

The Company recognise the connection between healthy people and a healthy planet and are using a science-based approach to proactively manage our environmental impact. The Company is actively investing in biodiversity and nature conservation, as we strive towards achieving our Zero Carbon ambition. The Company’s AZ Forest programme has already made significant strides, with over 10.5 million trees planted globally since 2020. Through the AZ Forest initiative, AstraZeneca is collaborating with local governments and non-profit organisations to restore forests and promote biodiversity by planting trees worldwide. In India, AstraZeneca associated with SankalpTaru Foundation and committed to plant and maintain geo-tagged trees. This innovative approach includes individual tracking of each plant, enabling us to monitor and manage their growth remotely.

The Corporate Social Responsibility Policy is available at <https://www.astrazeneca.in/content/dam/az-in/pdf/files/Corporate%20Social%20Responsibility%20PolicyS.pdf>

2. The composition of the CSR Committee is as follows:

Name of Director	Designation/Nature of Directorship	Number of meeting of CSR Committee held during the year	Number of meeting of CSR Committee attended during the year
Weiyong Sarah Wang	Chairperson	1	1
Revathy Ashok	Member	1	1
Gagandeep Singh Bedi*	Member	1	1
Sanjeev Kumar Panchal**	Member	1	0

* Mr. Gagandeep Singh Bedi ceased to be a member of the Committee w.e.f. December 31, 2022.
**Mr. Sanjeev Kumar Panchal has been appointed as a member of the Committee w.e.f. January 1, 2023.

- The details of the CSR is available at www.astrazeneca.com/india
- Average net profit of the Company as per Section 135(5): ₹ 1,062.59 million
- (a) Two percent of average net profit of the Company as per Section 135(5): ₹ 21.25 million
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
(c) Total CSR obligation for the financial year 2022-23: ₹ 21.25 million
- (a) CSR amount spent or unspent for the financial year:

Total amount spent for the financial year (in ₹ million)	Amount Unspent (in ₹)				
	Total amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
21.25 million	N.A.				

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

Sl. No.	Name of the project	Item from the list of activities in schedule VII of the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹ million)	Amount spent in the current financial Year (in ₹ million)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration
1	YHP Bangalore	Promoting Health Care	Yes	Karnataka	Bengaluru	>1 year	5.47	5.47	N.A.	No	CAF India	CSR00001692
2	AZ Forest	Environment Sustainability	Yes	Karnataka	Bengaluru	>1year	0.58	0.58	N.A.	No	CAF India	CSR00001692
3	Ganga Godavari Cancer Screening	Promoting Health Care	No	Maharashtra and Uttar Pradesh	Nasik, Patna and Mathura	>1 year	11.80	11.80	N.A.	No	CAF India	CSR00001692

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

Sl. No.	Name of the project	Item from the list of activities in schedule VII of the Act	Local area (Yes/No)	Location of the project		Amount allocated for the project	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration
1	Grant A Wish	Promoting Health Care	No	Telangana Karnataka, Tamil Nadu, Goa, Gujarat, Maharashtra, Rajasthan, Delhi, West Bengal	Across States	3.40	No	CAF India	CSR00001692

- (d) Amount spent in Administrative Overheads: NIL
- (e) Total amount spent for the Financial Year: ₹ 21.25 million
- (f) Excess amount for set off, if any:

Sl. No.	Particulars	Amount (in ₹ million)
(i)	Two percent of average net profit of the Company as per Section 135(5)	21.25
(ii)	Total amount spent for the Financial Year	21.25
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the Reporting Financial Year (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 ₹)
					NIL

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

Sl. No.	Project ID	Name of the project	Financial year in which project was commended	Project duration	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
								NIL

8. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): NA
9. The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Sanjeev Kumar Panchal
Managing Director

Place: Bengaluru
Date: May 30, 2023

Weiying Sarah Wang
Chairperson of CSR Committee

Place: Shanghai, China
Date: May 30, 2023

Annexure V to Board's Report

The information relating to remuneration of Directors/KMP as required under Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year	Ratio
Mr. Gagandeep Singh Bedi, Managing Director*	44:1
Mr. Rajesh Marwaha, Whole-Time Director	32:1
Mr. Sanjeev Kumar Panchal, Managing Director**	4:1

The Independent Directors of the Company were entitled to sitting fee as per the statutory provisions. The ratio of remuneration and percentage increase for Independent Directors' remuneration is therefore not considered for the above purpose. Non-Executive Directors who are employees of the AstraZeneca group do not receive any sitting fee.

The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any	%
Mr. Gagandeep Singh Bedi, Managing Director*	11
Mr. Rajesh Marwaha, Chief Financial Officer & Director	11
Mr. Sanjeev Kumar Panchal, Managing Director**	N.A.
Mr. Pratap Rudra, Company Secretary & Legal Counsel#	8
Ms. Manasa R., Company Secretary\$	10

*Mr. Gagandeep Singh Bedi resigned as Managing Director w.e.f. December 31, 2022.
**Mr. Sanjeev Kumar Panchal was appointed as the Managing Director w.e.f. January 1, 2023.
#Mr. Pratap Rudra resigned as Company Secretary & Legal Counsel w.e.f. August 10, 2022.
\$Ms. Manasa. R was appointed as the Company Secretary w.e.f. August 11, 2022.

1. Percentage increase in the median remuneration of employees in the financial year: **9.80%**
2. Number of permanent employees on rolls of the Company as on March 31, 2023: **947**
3. Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and to point out if there are any exceptional circumstances for increase in the managerial remuneration: **The Average increase is 9.80%. No exceptional circumstances in increase of remuneration. The increase is as per Company's increment guidelines.**
4. Affirmation that the remuneration is as per remuneration policy of the Company: **It is affirmed that the remuneration is as per the remuneration policy of the Company.**

On behalf of the Board of Directors

Place: Bengaluru
Date: May 30, 2023

Narayan K. Seshadri
Chairman

Annexure VII to Board's Report

Management Discussion & Analysis Report

Indian Economy

India is the 5th largest economy in terms of 2023 GDP rankings, with an estimated GDP of USD 3.74 trillion.⁽¹⁾ When adjusted for purchasing power, it is ranked third – only behind China, and United States.⁽¹⁾ India was the fastest growing major economy in 2022 with a GDP growth of 6.8%; However, India was one of the worst impacted economies in terms of GDP growth during the pandemic with an estimated GDP contraction of 6.7% for the year 2020. The sharp rebound of the economy is reflective of the country's resilience against the COVID-19 pandemic, and the innate growth prospects of the Indian economy⁽¹⁾. In terms of future estimated growth, India will continue to remain the fastest-growing major economy in the coming years – with a projected GDP growth averaging 6.1% a year in the years 2023 to 2024.⁽¹⁾

An increase in private consumption, and investments is expected to drive growth amidst an improving business environment, rising incomes, and expanding workforce. Support to economic growth will come from the expansion of public digital platforms and path-breaking measures such as PM GatiShakti, the National Logistics Policy, and the Production-Linked Incentive schemes to boost manufacturing output⁽²⁾ While the broader economy seems to have moved past the pandemic, – the COVID-19 resurgence in the form of new variants of concern – does continue to pose headwinds for the economy.

Indian Healthcare Environment

The healthcare sector on a broad level comprises of pharmaceuticals, diagnostics, medical devices, equipment and supplies, healthcare delivery, clinical trials, and health insurance segments. The industry is forecasted to grow at 22.4% annually, and touch USD 372 billion in 2022.⁽³⁾

A growing burden of Lifestyle or Non-Communicable Diseases (NCDs), aging demographics, rising income, and awareness towards health & wellness coupled with improving access to healthcare, increased diagnostic rates and health insurance coverage are a few of the notable trends contributing to the increased healthcare expenditure.

The Indian medical tourism market was valued at USD 2.89 billion in 2020 and is expected to reach USD 13.42 billion by 2026. According to India Tourism Statistics at a Glance 2020 report, close to 697,300 foreign tourists came for medical treatment in India in FY 2019. India has been ranked 10th in the Medical Tourism Index (MTI) for 2020-21 out of 46 destinations by the Medical Tourism Association.⁽³⁾

The e-health market size is estimated to reach USD 10.6 billion by 2025⁽³⁾. The country has witnessed the importance of digitally enabled healthcare solutions against the constraints imposed by the COVID-19 pandemic. Hence, a renewed focus remains on creating more resilient, agile, and innovative health ecosystem that embraces digital. The use of digital channels is expected to intensify across major facets of the industry – including healthcare delivery.

Increasing penetration of health insurance will drive the expansion of healthcare services and pharmaceutical market in India.

A growing middle-class, coupled with rising burden of new diseases, is boosting the demand for health insurance coverage. With an increasing demand for affordable and quality healthcare, penetration of health insurance is poised to expand in the coming years.⁽³⁾

The central and state governments' budgeted expenditure on healthcare touched 2.1 % of GDP in FY 2023 and 2.2% in FY 2022, against 1.6% in FY 2021, as per the Economic Survey 2022-23.⁽⁴⁾

Under the Union Budget 2023-24, the Ministry of Health and Family Welfare has been allocated ₹ 89,155 crore (USD 10.76 billion), an increase of 3.43% compared to ₹ 86,200.65 crore (USD 10.4 billion) in 2021-22. Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) was allocated ₹ 3,365 crore (USD 0.41 billion). Human Resources for Health and Medical Education was allotted ₹ 6,500 crore (USD 780 million). National Health Mission was allotted ₹ 29,085 crore (USD 3.51 billion). Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) was allotted ₹ 7,200 crore (USD 870 million).⁽³⁾

AB-PMJAY has 22 crore beneficiaries and The National Health Mission (NHM), and the newly introduced National Digital Health Mission (under the aegis of the NHM) have also seen a substantial increase in allocations. Amongst notable new programmes, The National Tele Mental Health programme has been launched for access to quality mental health counselling & care services.⁽⁴⁾

Indian Pharmaceutical Market (IPM)⁵

The estimated size of IPM for FY 2022-23 is ₹ 200,506 crore (USD 24.1 billion). The growth of 7.9% (Value, FY22-23 over FY21-22) is a significant drop from prior year's growth of 18.2% (Value, FY21-22 over FY20-21). It is better compared to growth of 4.3% (Value, FY 2020-21 over FY 2019-20). The previous year increment in growth is directly attributable to the base effect combined with surge in uptake of acute therapies such as respiratory and Covid-related therapies of anti-infectives, pain management and vitamins & supplements. Indian companies account for 82% share of the market (value) with a growth of 8.5% (Value, FY 2022-23 over FY 2021-22), while the MNCs grew at 5.0%.⁽⁵⁾

AZ India breaks into top 50 companies in IPM, jumped 4 rankings to rank 49, finished the year with top 10 ranking amongst MNCs and delivered growth of 18.5% (Value, FY22-23 over FY21-22).⁽⁶⁾

Pharmaceutical Business Environment – Outlook

The Indian pharmaceutical market is forecasted to grow at a CAGR of 9% between 2022 to 2025 touching ~USD 36 billion in 2025⁽⁶⁾. Some of the factors that would drive the growth include ageing demographics, rising income & affordability, rising incidence and diagnosis of NCDs, better awareness of wellness, diagnostics and preventive care, expansion of healthcare delivery infrastructure, quicker regulatory approvals, increasing health insurance coverage, conducive investment climate, and increasing adoption of digital solutions in healthcare delivery.⁽⁶⁾ Patient pool expected to increase over 20% in the next 10 years (until 2030), mainly due to rise in population.⁽³⁾

Key risks that could act as a dampener for growth include: rising inflation & consequent pressure on margins – exacerbated by ongoing geopolitical crisis; associated disruptions in supply chains, and exports; downward pressure on prices – arising out of potential NLEM expansion, and generic proliferation amidst LOE in key brands within IPM; resurgence of COVID due to new variants of concern.^(6,31)

Growth and Demand Drivers:

- Increasing Health insurance coverage:** The private health insurance sector is expected to grow over the next decade – driven by rising incomes, aging demographics, increasing awareness and preferences for healthcare spending, tax incentives on private health insurance premiums, and an increase in the range and sophistication of plans offered in the private health insurance market. In FY22, premiums underwritten by health insurance companies grew to ₹ 73,582.13 crore (USD 9.21 billion). The health segment has a 33.33% share in the total gross written premiums earned in the country. ⁽³⁾
- Cost efficiency:** Low cost of production and R&D boosts efficiency of Indian pharma companies, leading to competitive exports. Indian drugs and pharmaceuticals exports reached USD 5.78 billion between April 2021 and June 2021. As of 2019, India's cost of production ~33% lower than that of the US. India's ability to manufacture high quality, low-priced medicines, presents a huge business opportunity for the domestic industry.⁽³⁾
- Expansion of Medical infrastructure:** Pharma companies have increased spending to tap rural markets and develop better medical infrastructure. Hospitals' market size is expected to increase by USD 200 billion by 2024. India's medical devices market stood at USD 10.36 billion in FY20. The market is expected to increase at a CAGR of 37% from 2020 to 2025 to reach USD 50 billion.⁽³⁾
- Increasing adoption of telemedicine and digital platforms:** The government's National Telemedicine Service, eSanjeevani, has clocked 10 crore teleconsultations.⁽⁷⁾ The pandemic-induced constraints and adversities have resulted in the utilisation of innovative models that integrate diagnostics, healthcare delivery as well as engagement with Healthcare Professionals (HCPs) with technology. The increasing proliferation of several health-technology players that offer additional services like EMR, and patient analytics solutions, is clearly indicative of this trend towards the adoption of newer digital platforms in healthcare delivery. Moreover, research has shown that most of the HCPs preferred digital connects with pharmaceutical companies during periods of lockdowns, and this behaviour shift of using digital platforms for communication is here to stay.^(8,9) Most major organised hospital chains have introduced video consultation services and operate them in tandem with regular in-person consultations. This has increased convenience, improved compliance for follow-up, and ultimately broken physical barriers in accessing quality healthcare advice.
- Increasing proliferation of e-pharmacies:** The growth of e-pharmacy in India has been significant in recent years. India's e-pharmacy market was pegged at ₹ 26 billion in 2021. It is expected to reach around ₹ 90 billion in 2027 with a CAGR of 22%, backed by the growing internet penetration and digital

payment ecosystem and government support. There has been a significant increase (approximately fourfold) in foreign direct investments (FDI) over the last five years in the Indian pharmaceutical industry.⁽¹⁰⁾

- Conducive investing climate:** There has been an overall focus on facilitating investments – making capital accessible across stages of business – including venture, and early stage. Healthcare sector will certainly be one of the key beneficiaries. Policy focus towards making capital available will only augment the rising interest in India Inc. Notable foreign players in the healthcare sector are setting up R&D centres and hospitals in India. During April-September of financial year 2022-23, FDI inflows has been ₹ 8,081 crore. Further, the Department of Pharmaceuticals has approved 21 FDI proposals worth ₹ 4,681 crore for brownfield projects during January-November 2022.⁽³⁾
- Policy Support:** In February 2021, the government approved a production-linked incentive (PLI) scheme for the pharmaceuticals sector from FY21 to FY29. The scheme is expected to attract investments of ₹ 15,000 crore (USD 2.07 billion) into the sector. It is also expected to lead to incremental sales of ₹ 2,94,000 crore (USD 40.63 billion) and exports of ₹ 1,96,000 crore (USD 40.63 billion) between FY23 and FY28.⁽³⁾
- Quicker regulatory approvals:** To accelerate India's fight against Covid, the Drug Controller General of India (DCGI) issued emergency use authorisation for vaccines such as Covaxin and Covishield as well as certain drugs such as Tocilizumab, Regeneron antibody cocktail, and Remdisivir amongst other drugs. Despite the challenges imposed by the pandemic, The Company too had secured quick approvals for a couple of new indications in the recent past.
- Price hike of essential drugs:** As a result of a recent development by the National Pharmaceutical Pricing Authority (NPPA), prices of 384 essential drugs and over 1,000 formulations are set to see a hike of over 11%, due to a sharp rise in the Wholesale Price Index (WPI). These scheduled drugs constitute about 18% of the total domestic pharma retail market. This may have wide-ranging implications on the population's healthcare expenses and in turn lead to further growth of the Indian Pharma Market. ⁽¹¹⁾
- Increasing R&D investments:** The Indian pharmaceutical industry is now seeking to move up the global pharmaceutical value chain by investing in R&D for drug development, drug repurposing, process improvements and digital manufacturing. As per the Union Budget 2022-23, ₹ 3,201 crore (USD 419.2 million) has been set aside for research and ₹ 83,000 crore (USD 10.86 billion) has been allocated to the Ministry of Health and Family Welfare. India plans to set up a nearly ₹ 1 lakh crore (USD 1.3 billion) fund to provide boost to companies to manufacture pharmaceutical ingredients domestically. ⁽³⁾

Risks:

- Supply chain disruption, and rising input costs:** The ongoing geopolitical crisis has resulted in supply chain disruption and affected multiple industries, in particular, oil and gas-leading to increased costs of fuel and thereby, making Indian exports less competitive.^(12,13) Due to the high reliance on import of APIs, the Indian firms are vulnerable to supply shocks. The government's two Production Linked Incentive

schemes will be a major step in the direction to achieve a 25% cut in API import reliance by 2024.⁽¹⁴⁾

2. **Intensifying downward pressure on prices⁽¹⁵⁾:** Pressure on drug prices will intensify, driven by the imposition of caps on trade mark-ups applied to a growing number of non-scheduled products and an increase in the number of molecules listed on Schedule I of the Drug Price Control Order (DPCO), which are subject to explicit regulatory control. The impact of the DPCO on prices will increase if more products are added to the National List of Essential Medicines (NLEM) and escalate more dramatically if DPCO controls were applied to all forms of molecules on the list.

Business model

The Company is engaged in the business of manufacture, distribution and marketing of pharmaceutical products and co-ordinates clinical trial services with an overseas group company.

During the year under review, total revenue from operations is amounting to ₹ 10,029.7 million out of which sales of pharmaceutical products is ₹ 9,417.5 million (93.9%) and sale of services from clinical trials is ₹ 612.2 million (6.1%).

Since all the Company's activities fall within a single business segment, separate segment-wise disclosures are not provided in the financials.

Outlook

Across our therapeutic offerings, the Company has introduced a couple of new indications and products in the recent past. Notable launches in the Cardiovascular-Renal-Metabolics (CVRM) business include – Heart Failure (HF), and Chronic Kidney Disease (CKD) indications for Forxiga (Dapagliflozin). The Company has been instrumental in shaping the market for use of SGLT2i class of drugs in these novel indications. Our recent launches, in oncology are seeing significant traction, and gaining quick acceptance amongst the HCPs. A few notable recent approvals include – use of Imfinzi (Durvalumab) in Biliary Tract Carcinoma, and use of Lynparza (Olaparib) in early breast cancer. The recent label expansions for our oncology drugs will have profound implications in improving the prognosis of cancer patients in the country. Our respiratory franchise's new inclusion into the portfolio last year, Fasenra (Benralizumab) is helping redefine management of severe asthma in the country. The Company hopes to expand its respiratory portfolio further and tap into its global robust asset offering, and pipeline within Respiratory, Immunology & Infectious diseases. Rare Disease is the latest therapy area that the Company entered this year with the launch of Koselugo (the selumetinib) for treatment of NF1 and has plans to expand the portfolio in the coming years.

In FY23-24, the Company will continue to prioritise investments in its focus areas in-line with its global growth platforms. The Company continues to be committed in making novel therapies/indications available for patients in India - a conducive regulatory pathway remains key for determining feasibility; and speed of new launches, and the Company will continue to pursue accelerated regulatory milestones – leveraging its clinical operations, and evidence generation capabilities wherever applicable.

India harbours a high diabetic burden, and is often cited as the diabetes capital of the world. An estimated 77 million people in India suffer from diabetes-making India the second-highest country in terms of prevalence of diabetes, after China.⁽¹⁶⁾ The Oral

Anti-diabetic (OAD) segment constitutes close to 75% of the total anti-diabetic segment in terms of value, and is valued at ₹ 13,453 crore.⁽¹⁵⁾

The Company has a strong portfolio of oral antidiabetic drugs with presence in 2 key drug classes:- SGLT2 inhibitors, and DPP4 inhibitors. Amidst 100+ generic brands – The Company's innovator brands of SGLT2i have felt the impact – with what was traditionally a growth engine, with double digit growth, now experiencing value degrowth. However, the Company will continue to prioritise the brands of Dapagliflozin, and with the new, bold access maximising price point, The Company hopes to kickstart a new growth phase for the brand, and maximise on the potential for the newer indications. The label expansion of Forxiga (Dapagliflozin) in 2020 to include treatment for HF patients, and CKD patients constitutes a paradigm shift in the management of these diseases. HF is one of the leading causes of hospitalisation and the disease imposes a huge burden world over. CKD is also associated with high morbidity and mortality, and In India, it is estimated that over 100 million people suffer from Chronic Kidney Disease.⁽¹⁷⁾ The Company's DPP4 offering-comprises of the brands of Onglyza (Saxagliptin) and Kombiglyze (Saxagliptin/Metformin). The Company's diabetic portfolio with its clinical evidences, and endorsements by the latest international guidelines for improving patient outcomes – beyond just HbA1C control, would certainly improve the lives of millions of patients.

Cardiovascular (CV) disease continues to be the leading cause of death in the country. The Company with its strong CV portfolio of drugs is committed to alleviating the burden imposed by CV diseases. Brilinta (Ticagrelor) – belonging to Oral antiplatelet (OAP) category of drugs, used in the management of Acute Coronary Syndrome (ACS), continues to remain the market leader. The past year has witnessed the launch of over 30 generics following the patent expiry of Ticagrelor in 2019. Brilinta, by virtue of its value proposition, hopes to sustain its market leadership with double digit growth and save even more patient lives in the coming year.

The Company's respiratory portfolio comprise of offerings for both Asthma, and COPD. India has a very high prevalence of chronic respiratory illness. Poor air quality on account of pollution in some of the major cities continues to be a major cause of high respiratory disease burden in the country. Symbicort – the Company's ICS/LABA inhaler with an innovative delivery mechanism continues to be one the fastest growing ICS/LABA brands with a growth almost double the market. Fasenra (Benralizumab) – has seen good patient enrolments, and has been well accepted by HCPS, gaining a lot of interest. We hope that Fasenra with its superior value proposition will redefine the standard of care for the management of severe asthma.

Every year, over a million new patients are diagnosed with cancer, and it has become a major cause of mortality in India. The Company's oncology portfolio spans across areas of women's cancer with a strong presence in Breast & Ovarian, Lung cancer, Prostate, and Hematology, and has been the growth engine for the Company. AstraZeneca is the third fastest growing MNC in India, and is 3rd largest Oncology company in India as per MAT December 2022 (IPSOS). The success has been enabled by the strong ecosystem of market access, scientific & regulatory prowess, and continued innvoation. Tagrisso (Osimertinib) is the leading brand in lung cancer by sales value. Lynparza (Olaparib) is the number one ovarian cancer brand. Recent label extensions will continue to drive the next phase of growth for both these brands. Imfinzi (Durvalumab) continues to recruit newer patients and make

significant contributions to the lung franchise. AZ had entered into Gastro-Intestinal Cancer space with Imfinzi's indication expansion into Biliary Tract Carcinoma, and it boasts a strong pipeline of exciting label expansions in near future.

The Company is delighted to introduce a diverse selection of innovative therapies to the patients, aimed at addressing COPD, Breast Cancer, and Neurofibromatosis 1 (NF1). This moment is particularly exciting as we eagerly anticipate the much-awaited introduction of Enhertu (Trastuzumab-Deruxtecan), poised to revolutionise the treatment approach for HER2-expressing tumor types. Additionally, the Company will be extending its reach in the near future by venturing into the Rare Disease sector with the introduction of Koselugo for NF1, marking a significant expansion of our portfolio.

The pandemic has been profoundly disruptive across multiple facets of life. It has greatly altered ways of working, customer interactions, and accelerated the eventual adoption of digital. Virtual connectivity solutions deployed in response to the pandemic imposed constrains are here to stay. Our HCPs continue to be open to using digital channels for interactions with our sales and medical teams. This has increased flexibility, and productivity of customer connect while at the same time enabling quality customer interactions.

Diverse and committed workforce remain integral to the success of our Company. The Company continues to emphasise continuous learning for people development. It has made available multiple avenues and tools to learn new skills, and hone existing expertise. Apart from industry leading educational platforms, the Company also actively offers cross country immersion stints/roles to help its people develop cross culture leadership, build global networks, and replicate best practices, and learnings in various markets. The great place to work certification- 4 times in a row is a testament to our engaged and motivated workforce. The Company also ranks highly amongst inclusive, and best companies for women.

The Company is dedicated to fostering innovation and utilising strategic partnerships to provide patient-centric solutions, driving sustainable growth. Through collaborations with cutting-edge health technology player, the Company empowers healthcare professionals (HCPs) with comprehensive, beyond-the-pill solutions, specifically targeting the holistic management of chronic conditions such as – Diabetes and Cardiovascular Diseases. These solutions have witnessed a notable increase in adoption and patient enrolment.

The India Sweden Healthcare Innovation Centre (ISHIC) is a platform that aims to develop an open innovation ecosystem, allowing startups and healthcare stakeholders to collaborate and tackle present and future challenges in India's healthcare sector. The platform supports the incubation of frugal innovation solutions, promoting affordable and accessible healthcare, in alignment with the goals of the Government of India. ISHIC is a tripartite collaborative effort involving AIIMS Delhi, AIIMS Jodhpur, and the Swedish Trade Commissioner's office, with the Company serving as the knowledge partner for ISHIC. The Company facilitates key initiatives and provides guidance when needed. ISHIC's flagship annual health innovation challenge has attracted numerous disruptive solutions from start-ups, focusing on addressing the burden of non-communicable diseases (NCDs) in the country. To enhance the diagnosis for our patients, the Company has implemented initiatives and programmes specifically designed to enhance diagnosis and enable early detection. These efforts are aimed at improving the prognosis and outcomes for our patients.

Our sustainability priorities encompass improving access to diagnostics and raising disease awareness. In line with these objectives, we have our flagship Ganga Godavari Programme in collaboration with the Indian Cancer Society and the Charities Aid Foundation India. This programme focuses on facilitating early cancer screening and awareness specifically for women, particularly in areas where healthcare facilities are limited. The programme includes specialised cancer screening camps for oral, breast, and cervical cancer, community health education activities to promote awareness, and robust follow-up processes to ensure timely referral for treatment at cancer hospitals. This initiative has already made a positive impact on the lives of over 8,500 patients and will remain a top priority for the Company. Additionally, the Company is dedicated to making strides towards greener and more environmentally friendly operations.

The Company will continue to emphasise transparency and high standards of ethics in all of its operations. Patient centricity remains at the core of our actions and guides our day-to-day decision-making. The Company will remain committed to high product quality, which underpins the safety and efficacy of its medicines. The Company will maintain a strong focus on cost optimisation and controls. The Company is undertaking measures to reduce unproductive discretionary and non-customer facing spending. It also continues to develop simple and more efficient processes to encourage accountability and improve decision-making and communication.

Internal control systems and their adequacy to whom

The Company has internal control systems comprising of authority levels and powers, supervision, checks and balances, policies, procedures and internal audit. During the year, the Company's Internal Finance Control was independently tested and validated by external auditors through the AstraZeneca Financial Control Framework (FCF). The Company ensures that the internal control system is reviewed and updated on an on-going basis through FCF and the use of external management assurance services. The Company monitors and manages risks in its interactions with third parties (Vendors) through its Third-Party Risk Management (3PRM) framework. This framework provides methodology, guidance and tools for managing third-party risks related to Anti-Bribery and Anti-Corruption, Data Privacy, Confidentiality, Trade Control and Competition, Product Communication and Product Security. Internal audits for the Financial Year 2022-23 were carried out by independent auditors, based on the audit plan approved by the Audit Committee. The plan included the audit of the depots of the Company, key processes within Operations and Marketing units including enabling functions. The Audit Committee and the Management have reviewed the recommendations of the Internal Auditors and appropriate remediation steps are being taken to implement their recommendations.

Discussion on financial performance with respect to operational performance

During the year ended March 31, 2023, the Company's total income was at ₹ 10,290.7 million as against ₹ 8,203.6 million reported in the corresponding previous year.

The total cost was at ₹ 8,547.4 million during the year as compared to ₹ 7,373.2 million in the previous year. The profit after tax was ₹ 992.9 million during the year compared to ₹ 616.0 million in the previous year.

Significant changes in Financial Ratios

During the year, the significant changes in the financial ratios of the Company, which are more than 25% as compared to the previous year are summarised below:

Financial Ratio	2022-23	2021-22	Change	Reason for change
Net Profit Ratio	10%	8%	30%	Increase is on account of higher net profit due to change in product mix
Return on Capital Employed	23%	16%	39%	Increase is on account of higher net profit due to change in product mix
Return on Equity Ratio	17%	12%	40%	Increase is on account of higher net profit due to change in product mix
Debt Service Coverage Ratio	30%	23%	30%	Increase is on account of higher net profit due to change in product mix
Debt-Equity Ratio	1.2%	1.7%	-27%	Decrease is on account of increase in equity due to higher profits during the year

Development in Human Resources/Industrial Relations

We grew and prospered by recruiting, retaining and developing talented people. We do that by being a great place to work, encouraging and rewarding innovation, entrepreneurship and high performance.

We are committed to foster a culture of lifelong learning, strengthening and evolving our capabilities, and instilling confidence to challenge convention and explore possibilities. Employees (947 as on March 31, 2023) are encouraged to take ownership of their own development and leaders are expected to spend time supporting and enabling their employees' development needs. In 2022, we invested in developing a culture of lifelong learning to support the up-skilling of our people. 59% of our employees used Degreed – our global online learning platform that provides employees with access to an extensive amount of educational resources. In addition to providing improved online resources, we offer a range of different learning programmes that have been developed to provide more targeted learning opportunities through Global, Regional and Local programmes. We celebrated Lifelong learning & development in September 2022 as iDevelopment month with a series of workshops, panel discussions, degreed pathways, gamification and other events throughout the month.

We aim to create an inclusive workplace and a workforce that reflects our communities and the patients we help, delivers diversity of thought, incorporates cultural understanding, and ultimately stimulates an atmosphere where our employees feel respected and empowered. We do this by:

- Empowering Inclusive Leadership
- Fostering an environment where people “Speak their Minds”
- Building and sustaining a diverse leadership and talent pipeline

It is our endeavour to focus on employee well-being. “Celebrating YOU” is an employee engagement initiative where the focus is on Financial well-being, Mental well-being, Physical well-being. The programme had a defined wellness calendar with multiple engaging sessions and initiatives planned throughout 2022.

Our biannual employee opinion surveys help us measure employee sentiment and progress in our aim of being a great place to work. In our most recent survey (November 2022), we continued to score highly, achieving an average result of 84% across all questions. Our response rate also reflects the high levels of engagement with 93% of all employees choosing to participate in the survey.

In 2022, we have earned the following external recognitions:

- ‘Great Place to Work’ certifications
- ‘Working Mother & Avtar Best Companies for Women in India’ (BCWI)

Cautionary Statement

Statements made in the Management Discussion and Analysis Report describing the Company’s objectives, projections, estimates, and expectations may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include amongst others, economic conditions affecting demand/ supply and price conditions in the domestic and overseas markets in which it operates, changes in government regulations, tax laws, and other statutes and incidental factors.

References:

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9. Market research: Doctor engagement during COVID-19 period, April 2020, IQVIA
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11. Online article – The Hindu by BINDU SHAJAN PERAPPADAN – March 2023
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Annexure VIII to Board’s Report

Report on Corporate Governance

1. Company’s Philosophy on Code of Governance

AstraZeneca Pharma India Limited (‘the Company’) is a subsidiary of AstraZeneca Pharmaceuticals AB, Sweden, which is an indirect subsidiary of AstraZeneca PLC, United Kingdom. The Company’s philosophy on Corporate Governance includes sustained growth, increase in stakeholder value, transparency, disclosure, internal controls and risk management, internal and external communications and high standards of safety, health, environment management, accounting fidelity, product and service quality. The Company also complies with the listing requirements mandated by Securities and Exchange Board of India. The Senior Management Team headed by the Managing Directors responsible for implementing board policies and guidelines and has set up adequate review processes.

The Company believes in, and has been practising, high standards of Corporate Governance since its inception. The risk management and internal control functions are being geared up to meet progressive governance standards.

The following is a Report on the status and progress on major aspects of Corporate Governance that marks the operations and management of the Company.

2. Board of Directors

- (i)

The Board presently consists of 7 Directors of which 5 are Non-Executive Directors, 3 of whom are Independent. 2 of the 5 Non-Executive Directors represent the parent Company. The Chairman of the Board is a Non-Executive Independent Director. The Non-Executive Directors bring strong objective, business judgement in the Board deliberations and decisions. The composition of the Board is in conformity with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘the Listing Regulations’). There is no relationship between the Directors *inter-se*.
- (ii)

The Company has not had any material pecuniary relationship/transaction with any of the Non-Executive Directors.
- (iii)

None of the Directors holds shares in the Equity Share Capital of the Company.
- (iv)

6 Board meetings were held during the financial year and the gap between 2 meetings did not exceed 120 days. The dates on which the said Meetings were held are:

May 26, 2022, August 8, 2022, November 11, 2022, December 14, 2022, February 10, 2023 and March 8, 2023.
- (v)

The names and categories of Directors on the Board, their attendance at the Board Meetings held during the financial year and the number of Directorships and Committee Memberships/Chairmanships held by them in other public companies as on March 31, 2023 are furnished herein below:

Name of the Director	Category	Number of Board Meetings attended during the financial year 2022-23	Whether attended last AGM	Number of Directorships and Committee Memberships/Chairmanships excluding AstraZeneca Pharma India Limited as at March 31, 2023		
				Other Directorships [#]	Committee Memberships [§]	Committee Chairman ships [§]
Narayan K. Seshadri Chairman	Non-Executive Independent Director	6	Yes	7	5	2
Revathy Ashok	Non-Executive Independent Director	6	Yes	9	9	4
Shilpa Shridhar Divekar	Non-Executive Independent Director	6	Yes	-	-	-
Ankush Nandra	Non-Executive Director	4	No	-	-	-
Weiyang Sarah Wang	Non-Executive Director	4	Yes	-	-	-
Gagandeep Singh Bedi*	Managing Director	4	Yes	-	-	-
Sanjeev Kumar Panchal**	Managing Director	2	NA	-	-	-
Rajesh Marwaha	Whole-Time Director	6	Yes	-	-	-

*Mr. Gagandeep Singh Bedi resigned as the Managing Director and as Director of the Company w.e.f. December 31, 2022.

**Mr. Sanjeev Kumar Panchal was appointed as Managing Director of the Company w.e.f. January 1, 2023.

[#]Directorships in Private Limited companies, Foreign Companies and Associations are excluded.

[§]Memberships/Chairmanships of Board Committees include only Audit Committee and Stakeholders' Relationship Committee.

(vi) Name of other listed entities where Directors of the Company are Directors and their category of Directorship:

Name of Director	Name of listed entities in which the concerned Director is a Director	Category of Directorship
Narayan K. Seshadri	Kalpataru Power Transmission Limited	Non-Executive Independent Director
	PI Industries Limited	Non-Executive Independent Director
	SBI Life Insurance Company Limited	Non-Executive Independent Director
Revathy Ashok	ADC India Communications Limited	Non-Executive Independent Director
	Quess Corp Limited	Non-Executive Independent Director
	Welspun Corp Limited	Non-Executive Independent Director
	Barbeque – Nation Hospitality Limited	Non-Executive Independent Director
	Sansera Engineering Limited	Non-Executive Independent Director
Shilpa Shridhar Divekar	-	-
Ankush Nandra	-	-
Weiyang Sarah Wang	-	-
Sanjeev Kumar Panchal	-	-
Rajesh Marwaha	-	-

- (vii) The Independent Directors, who are from diverse fields of expertise have long standing experience and expert knowledge in their respective fields and are of considerable value for the Company’s business. As a part of familiarisation programme as required under the Listing Regulations, the Directors have been apprised during the Board Meetings about the amendments to the various enactments viz. the Companies Act, 2013 (‘the Act’), the Listing Regulations, taxation matters and other regulatory updates. Since these being information about the enactment/updates in the laws/regulation, no separate material has been uploaded on the Company’s website. Further, the details of familiarisation programme for Independent Directors in respect of other matters are posted on the website of the Company and can be accessed at www.astrazeneca.com/india.

(viii) The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

(ix) During the financial year, a separate meeting of the Independent Directors was held *inter alia* to review the performance of Non-Independent Directors and the Board as a whole.

(x) The Board confirms that the Independent Directors fulfil the conditions of Independence as specified in the
- Act and the Listing Regulations and are independent of the management.

(xi) The Board periodically reviews compliance reports submitted by the management, in respect of all laws applicable to the Company.

(xii) Skills/Expertise/Competencies of Board Members:

The list of core skills/expertise/competencies identified by the Board of Directors as required in the context of the Company’s business is set out as under:

(a) Healthcare Industry experience i.e. relevant to an industry understanding and review of the business and strategy.

(b) Leadership i.e. in specific to successfully advise and oversee the Company’s business performance and represent shareholder interests.

(c) Corporate Governance and Public Company Board i.e. having relevant background and knowledge to perform oversight and governance roles.

(d) Finance and Accounting i.e. analysing the financial statement and consider financial transactions.

(e) Government and Regulatory i.e. an understanding of the regulatory and governmental environment in which the business operates.

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted. These skills/competencies are broad-based, encompassing several areas of expertise/experience. Each director may possess varied combinations of skills/experience within the described set of parameters. In the absence of mark against a member’s name does not necessarily mean the member does not possess the corresponding qualification or skill.

Directors	Healthcare industry Experience	Leadership	Corporate Governance and Public Company Board	Finance and Accounting	Government and Regulatory
Narayan K. Seshadri	✓	✓	✓	✓	✓
Revathy Ashok		✓	✓	✓	✓
Shilpa Shridhar Divekar		✓	✓	✓	✓
Ankush Nandra	✓	✓	✓	✓	
Weiyang Sarah Wang	✓	✓		✓	✓
Sanjeev Kumar Panchal	✓	✓	✓	✓	✓
Rajesh Marwaha	✓	✓	✓	✓	✓

3. Audit Committee

(i) Brief description of terms of reference

The Board of Directors of the Company has adopted the terms of reference of the Audit Committee, to be in conformity with the requirements of Section 177 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as under:

1. Oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

4. Reviewing with the Management, the annual financial statements and auditor’s report thereon before submission to the Board for approval, with particular reference to:

(a) Matters required to be included in the Director’s Responsibility Statement to be included in the Board’s Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.

(b) Changes, if any, in accounting policies and practices and reasons for the same.

(c) Major accounting entries involving estimates based on the exercise of judgement by management.

(d) Significant adjustments made in the financial statements arising out of audit findings.

(e) Compliance with listing and other legal requirements relating to financial statements.

(f) Disclosure of any related party transactions.

(g) Modified opinion(s) in the draft audit report.
5. Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing with the Management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.

12. Reviewing with the Management, the performance of statutory and internal auditors, adequacy of internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow up thereon.
15. Reviewing 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.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the whistle-blower mechanism.
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background etc., of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. To carry out such other functions as may be entrusted to by the Board of Directors, from time to time.

(ii) The Managing Director, Chief Financial Officer, representatives of Internal Auditors and Statutory Auditors are invitees to all the meetings of the Audit Committee. The Company Secretary acts as the Secretary to the Audit Committee.

(iii) Ms. Shilpa Shridhar Divekar is the Chairperson of the Audit Committee and was present at the previous Annual General Meeting of the Company held on August 8, 2022.

(iv) 4 meetings of the Audit Committee were held during the year and the gap between two meetings did not exceed 120 days. The dates on which the said meetings were held are: May 26, 2022, August 8, 2022, November 11, 2022 and February 10, 2023.

(v) The composition of the Audit Committee and the details of meetings attended by its Members are furnished below:

Name of the Member	Category	Number of meetings attended during the financial year 2022-23
Shilpa Shridhar Divekar, Chairperson	Non-Executive Independent Director	4
Narayan K. Seshadri	Non-Executive Independent Director	4
Weiyang Sarah Wang	Non-Executive Director	3

4. Nomination and Remuneration Committee

(i) Terms of reference:

The terms of reference and the role of the Nomination and Remuneration Committee are as per the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations which includes the following:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a Policy, relating to the remuneration of the Directors, key managerial personnel and other employees;

Policy shall ensure the following:

- i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals;
- (b) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and to carry out evaluation of every Directors' performance;

(v) Remuneration to Directors during financial year 2022-23:

- (a) Details of remuneration paid to the Non-Executive Directors during the financial year ended March 31, 2023:

Name of the Director	Sitting Fees (₹)	Commission (₹)	Total (₹)
Narayan K. Seshadri	1,400,000	-	1,400,000
Revathy Ashok	1,200,000	-	1,200,000
Shilpa Shridhar Divekar	1,300,000	-	1,300,000
Ankush Nandra	-	-	-
Weiyng Sarah Wang	-	-	-

The Non-Executive Independent Directors are paid sitting fees of ₹ 100,000/- for attending each meeting of the Board and Committees of the Board.

- (b) Details of remuneration paid to the Executive Directors during the financial year ended March 31, 2023 are as follows:

Managing Director

Name of the Director	Salary	Perquisites	P.F. & other Funds	(in ₹) Total
Mr. Gagandeep Singh Bedi *	48,634,937	6,295,512	3,032,597	57,963,046
Mr. Sanjeev Kumar Panchal **	5,119,364	9,900	661,658	5,790,922

*Mr. Gagandeep Singh Bedi ceased to be Managing Director w.e.f. the closing of business hours on December 31, 2022.

**Mr. Sanjeev Kumar Panchal appointed as Managing Director w.e.f. January 1, 2023

Whole-Time Director

Name of the Director	Salary	Perquisites	P.F. & other Funds	(in ₹) Total
Mr. Rajesh Marwaha	37,021,190	3,973,979	1,538,093	42,533,262

- (c) Devising a policy on Board diversity;
- (d) Recommend to the Board, all remuneration, in whatever form, payable to senior management;
- (e) To carry out such other functions as may be entrusted to by the Board of Directors, from time to time.

- (ii) During the financial year ended March 31, 2023, 4 meetings of the Nomination and Remuneration Committee of the Board were held i.e. on August 8, 2022, November 11, 2022, December 14, 2022 and March 8, 2023.

- (iii) The composition of the Nomination and Remuneration Committee and the details of Meetings attended by its Members are furnished below:

Name of the Member	Category	Number of meetings attended during the financial year 2022-23
Revathy Ashok, Chairperson	Non-Executive Independent Director	4
Narayan K. Seshadri	Non-Executive Independent Director	4
Ankush Nandra	Non-Executive Director	2

- (iv) The Nomination and Remuneration Committee has defined the evaluation criteria and procedure for the performance Evaluation process for the Board, its Committees and Directors. Criteria for evaluation of Independent Directors include attendance, participation, constructive contribution, leadership, team work, communication, understanding of the Company and external environment in which it operates etc.

Fixed Component/Performance Linked Incentive Criteria

Performance related Bonus is payable to the Executive Directors only, as per the terms of the agreement entered into between the Company and the Executive Directors.

Service Contract/Notice Period/Severance Fees

- (a) The Contracts of Service entered into by the Company with Mr. Gagandeep Singh Bedi, the Managing Director (till December 31, 2022), Mr. Sanjeev Kumar Panchal (w.e.f. January 1, 2023) and Mr. Rajesh Marwaha, Chief Financial Officer and Director, provides that the Company and the Executive Directors shall be entitled to terminate the agreement by giving 3 months' notice and 90 days' notice respectively, in writing on either side.
- (b) No severance fee is payable by the Company to the Executive Directors on termination of the agreement.

5. Shareholders' Committees

(a) Stakeholders' Relationship Committee

The terms of reference of Stakeholders' Relationship Committee are in conformity with the requirements of Section 178 of the Act and the Listing Regulations.

Terms of Reference

- (a) Redressal of grievances of shareholders and other security holders of the Company including complaints related to transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends etc.
- (b) Review of measures taken for effective exercise of voting rights by shareholders.
- (c) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (d) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company.
- (e) To carry out such other functions as may be entrusted by the Board of Directors, from time to time.

The Committee is chaired by Ms. Weyng Sarah Wang, Non-Executive Director.

The composition of the Stakeholders' Relationship Committee is as under:

Name of the Member	Position	Category	Number of Meetings attended during the financial year 2022-23
Weiyng Sarah Wang	Chairperson	Non-Executive Director	0
Revathy Ashok	Member	Non-Executive Independent Director	1
Sanjeev Kumar Panchal*	Member	Managing Director	N.A.
Gagandeep Singh Bedi**	Member	Managing Director	1
Rajesh Marwaha	Member	Chief Financial Officer & Director	1

*Mr. Sanjeev Kumar Panchal was appointed as the Member of the Committee w.e.f. January 1, 2023.

** Mr. Gagandeep Singh Bedi ceased to be a Member w.e.f. December 31, 2022.

(b) Details of Shareholders'/Investors' complaints

The Committee attends *inter alia* to complaints from Shareholders/Investors and for their redressal. All complaints/grievances were also placed before the Board for information. Based on information provided by the Company's Registrar & Share Transfer Agents, the status of investor's grievances for the financial year ended March 31, 2023 is as follows:

Particulars	Non-receipt of Dividend Warrant(s)/ interest	Non-receipt of refund Order/ Allotment Letter	Non-receipt of Share Certificate(s)	Non-receipt of Annual Report	Others	Total No. of Complaints received	Complaints not resolved to the satisfaction of shareholder	Complaints pending
Direct	-	-	-	-	2	2	-	-
Through Stock Exchange/SEBI	-	-	-	-	-	-	-	-

(c) Share Transfer Committee

The Board also has constituted a Share Transfer Committee comprising of Mr. Sanjeev Kumar Panchal, Managing Director, Mr. Rajesh Marwaha, Chief Financial Officer and Director and Ms. Manasa. R., Company Secretary. The Chairman is elected at each meeting. Further, Mr. Pratap Rudra and Mr. Gagandeep Singh Bedi ceased to be the members of this Committee w.e.f. August 10, 2022 and December 31, 2022 respectively.

The Share Transfer Committee deals with matters relating to transmissions/transposition/consolidation/deletion of name/ issue of share certificates in exchange for sub-divided/ consolidated/defaced share certificates/issue of letter of confirmation (in lieu of duplicate share certificates) etc.

During the financial year, 6 meetings of the said Committee were held. The Minutes of the Share Transfer Committee meetings were tabled and noted at the Board Meetings.

An Independent Practising Company Secretary carries out the Secretarial Audit at the office of the Registrar and Share Transfer Agent and furnishes the requisite reports/certificates which are submitted to the Stock Exchanges.

6. Risk Management Committee

The terms of reference of the Risk Management Committee are in conformity with the requirements of the Listing Regulations.

Terms of Reference

- (a) To formulate a detailed risk management policy which shall include:

- (i) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
- (ii) Measures for risk mitigation including systems and processes for internal control of identified risks.
- (iii) Business continuity plan.
- (b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (e) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (f) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

During the financial year, 2 meetings of the Committee were held on September 23, 2022 and March 17, 2023 attended by all the members.

The composition of the Risk Management Committee and the details of meetings attended by its members are furnished below:

Name of the Member	Category	Number of meetings attended during the financial year 2022-23
Shilpa Shridhar Divekar, Chairperson	Non-Executive Independent Director	2
Sanjeev Kumar Panchal*	Managing Director	1
Gagandeep Singh Bedi**	Managing Director	1
Rajesh Marwaha	Chief Financial Officer & Director	2
Mina Patel	Site Lead, India Operations	2
Amarpreet Kaur Ahuja	Country HR Director, India	2

*Mr. Sanjeev Kumar Panchal was appointed as the Member of the Committee w.e.f. January 1, 2023.
**Mr. Gagandeep Singh Bedi resigned as Managing Director of the Company w.e.f. December 31, 2022.

7. General Meetings

(a) Date, time and location of the last three Annual General Meetings held:

Date	Year	Venue/Mode	Time
August 8, 2022	2021-22	Video conference and other audio visual means	3.00 p.m.
August 9, 2021	2020-21	Video conference and other audio visual means	3.00 p.m.
August 10, 2020	2019-20	Video conference and other audio visual means	3.00 p.m.

(b) Whether any Special Resolutions passed in the last three Annual General Meetings:

The following Special Resolutions were passed in the last three Annual General Meetings:

Date of AGM	Particulars of Special Resolution(s) passed
August 8, 2022	Consent of Members for appointment of Ms. Shilpa Shridhar Divekar as an Independent Director for a term of 5 years w.e.f. December 29, 2021.
August 9, 2021	Consent of Members for re-appointment of Ms. Revathy Ashok as an Independent Director for a second term of 5 years.
August 10, 2020	(a) Consent of Members for re-appointment of Mr. Gagandeep Singh Bedi as the Managing Director of the Company and payment of remuneration to him. (b) Consent of Members for re-appointment of Mr. Rajesh Marwaha as a Whole-Time Director of the Company and payment of remuneration to him.

(c) Whether any Special Resolution passed last year through Postal Ballot, details of the voting pattern, person who conducted the Postal Ballot exercise, whether any Special Resolution proposed to be conducted through Postal Ballot and procedure for Postal Ballot:

The Company sought the approval of members through notice of postal ballot dated January 24, 2023 for the below:

1. Re-appointment of Mr. Rajesh Marwaha (DIN: 01458768), as a Whole-time Director of the Company.
2. Appointment of Mr. Sanjeev Kumar Panchal (DIN: 09823879), as Director and also as the Managing Director of the Company.

The results of postal ballot e-voting was announced on February 28, 2023. Mr. Vijayakrishna KT, Practising Company Secretary, was appointed as the Scrutiniser to scrutinise the postal ballot through remote e-voting process in a fair and transparent manner.

Details of voting pattern was as under:

Resolution	No. of votes cast	No. of votes cast in favour	No. of votes cast against	% of votes cast in favour on votes polled	% of votes cast against on votes polled
Re-appointment of Mr. Rajesh Marwaha (DIN: 01458768), as a Whole-time Director of the Company	20,161,117	20,021,882	139,235	99.31	0.69
Appointment of Mr. Sanjeev Kumar Panchal (DIN: 09823879), as Director and also as the Managing Director of the Company	20,161,069	20,153,623	7,446	99.96	0.04

The postal ballot was conducted in accordance with the provisions contained in Section 110 and other applicable provisions, if any, of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The shareholders were provided the facility to vote through remote e-voting. The postal ballot notice was sent to members in electronic form to the e-mail addresses. The Company also published a notice in the newspapers in accordance with the requirements under the Act. Members holding equity shares as on the cut-off date were allowed to cast their votes through remote e-voting during the voting period fixed for this purpose. After completion of scrutiny of votes, the Scrutiniser submitted his report to the Chairman and the results of voting by postal ballot were announced within 2 working days of conclusion of the voting period. The results were displayed on the website of the Company (www.astrazeneca.com/india) and communicated to the Stock Exchanges, Depositories and Registrar and Share Transfer Agent. The resolutions were passed with the requisite majority on February 25, 2023.

Currently, no resolution is proposed to be passed through postal ballot. However, if required, the same shall be passed in compliance with the provisions of the Companies Act, 2013, Listing Regulations or other applicable laws.

8. Certificate from Practising Company Secretary:

A Certificate from Mr. Vijayakrishna K. T., Practising Company Secretary, Bengaluru confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such Statutory Authority forms part of this report.

9. Disclosures

(i) Related Party Transactions

Transactions with related parties, as per the requirements of Ind AS 24 are disclosed in the notes to accounts annexed to the financial statements.

All the transactions with related parties were in the ordinary course of business and on arm's length basis. All Related Party Transactions are placed before the Audit Committee for its prior approval. Omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature.

The Company has adopted a Policy for dealing with Related Party Transactions. The Policy, as approved by the Board is available at <https://www.astrazeneca.in/content/dam/az-in/pdf/files/Policy%20on%20Related%20Party%20TransactionsS.pdf>.

Materially significant related party transactions during the financial year ended March 31, 2023:

Name of the Entity	Relationship	Nature of transaction	Amount (₹ in million)
AstraZeneca UK Limited	AstraZeneca UK Limited (AZ UK) is the Parent Company of AstraZeneca Treasury Limited, United Kingdom, which is the Holding Company of AstraZeneca AB, Sweden, which in turn is the Holding Company of AstraZeneca Pharmaceuticals AB, Sweden and which in turn is the Holding Company of AstraZeneca Pharma India Limited	i) Purchase of raw materials and traded goods by the Company from AZ UK	3,021
		ii) Reimbursement of pre-launch cost of new launch products	20
		iii) Reimbursement by AZ UK, the cost of employees who are on assignments with the related party	129
		iv) reimbursement of expenses to towards (a) employee share compensation reserve and (b) capital expenditure to the Related Party	20
	Total		3,190
AstraZeneca AB, Sweden	AstraZeneca AB, Sweden is the Holding Company of AstraZeneca Pharmaceuticals AB, Sweden which is the Holding Company of AstraZeneca Pharma India Limited	i) Purchase of raw materials and traded goods by the Company from AZ UK	520
		i) Reimbursement of costs for supply of services (a) pertaining to marketing and promotion of certain pharmaceutical products (b) clinical study	612
	Total		1,132

(ii) Details of non-compliance by the Company, penalties and structures imposed on the Company by the Stock Exchanges or SEBI or any authority on any matter related to capital markets during the last three years: NIL

(iii) The Company has a vigil mechanism for Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company’s code of conduct. The mechanism provides for adequate safeguards for victimisation of Director(s)/Employee(s) who avail of the mechanism. In exceptional cases, Directors and Employees have direct access to the Chairperson of the Audit Committee. No personnel of the Company have been denied access to the Chairperson of the Audit Committee, for making complaint on any integrity issue. The Whistle-Blowing Policy is available at <https://www.astrazeneca.in/content/dam/az-in/pdf/2019/Whistle%20Blowing%20Policy.pdf>.

(iv) Details in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

(a) Number of complaints filed during the financial year: 0

(b) Number of complaints disposed of during the financial year: 0

(c) Number of complaints pending as on end of the financial year:0

(v) Details of compliance with mandatory requirements and adoption of non-mandatory requirements:

The Company has complied with all the mandatory requirements of the Listing Regulations. The Company has also fulfilled the following discretionary requirements:

- (a) The Auditor’s opinion on the financial statements is Unmodified
- (b) The positions of Chairman and Managing Director are separate.
- (c) The Internal Auditor reports directly to the Audit Committee.

(vi) Code of Conduct – The Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Board Members. Both these Codes are available on the Company’s website. All the Members of the Board and Senior Management Personnel of the Company have affirmed compliance with the Code applicable to them, for the financial year ended March 31, 2023. A declaration to this effect, duly signed by the Managing Director is annexed to this report.

(vii) As the Company has no subsidiary as on date, the requirement of formulating a specific policy on dealing with material subsidiaries does not arise.

(viii) The Company follows Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013/the Companies Act, 1956. The

Company has not adopted a treatment different from that prescribed in any Accounting Standard.

(ix) **Commodity Price Risk and Commodity hedging activities:**
The Company is not exposed to material foreign exchange risk on account of import and export transactions entered, as import of goods is happening in Indian Rupees. Also, it is not a sizeable user of various commodities, hence not exposed to the price risk on account of procurement of commodities.

(x) Total fees paid by the Company to the Statutory Auditors and all the entities in their network firm/network entities for all services rendered by them during the financial year 2022-23 is ₹ 5.7 million.

(xi) The Company has not granted any loans and advances to firms/companies in which directors are interested.

10. Means of Communication

- (i) The quarterly, half yearly and annual financial results of the Company are sent to the Stock Exchanges immediately after the Board’s approval, by uploading the same on NEAPS portal and BSE Listing Centre from time to time. The same are published in ‘The Business Standard’ (English) and ‘Prajavani’ (Kannada) newspapers.
- (ii) The financial results and such other information that are required to be displayed on the Company’s website pursuant to Listing Regulations/Companies Act are displayed on the website of the Company at www.astrazeneca.com/india
- (iii) The website also displays official news releases and the presentation made by the Company to the institutional investors, if any.

(iv) Unclaimed Suspense Account

As on April 1, 2022, there were 72 shareholders in respect of whom 26,430 shares were lying in the AstraZeneca Pharma India Limited – Unclaimed Suspense Account. During the year there were no claims made in the said account. Consequently, as on March 31, 2023, there are 72 shareholders in respect of whom the outstanding shares aggregating 26,430 shares are lying in the AstraZeneca Pharma India Limited – Unclaimed Suspense Account.

The voting rights in respect of such 26,430 shares remain frozen till the shares are claimed by the rightful owners.

(v) Stock Code

BSE Limited	506820
National Stock Exchange of India Limited	ASTRAZEN
ISIN for NSDL and CDSL	INE203A01020

11. Shareholder Information

(i) Annual General Meeting

Date & Time of AGM	August 14, 2023 at 3:00 p.m. IST
Mode	Video Conference/Other Audio Visual Means
Financial Year	2022-23
Dividend Payment Date	On or before September 13, 2023

(ii) Financial Calendar and announcement of financial results

The financial accounts and annual report are drawn out from April to March next.

The announcement of financial results during the financial year 2023-24 shall be as follows:

First Quarter Results	On or before August 14, 2023
Second Quarter Results	On or before November 14, 2023
Third Quarter Results	On or before February 14, 2024
Fourth Quarter & Annual Results	On or before May 30, 2024

(iii) Listing on Stock Exchanges

The Company’s Equity Shares are listed on:

BSE Limited (BSE)

25th Floor, P. J. Towers, Dalal Street, Fort, Mumbai – 400 001

National Stock Exchange of India Limited (NSE)

Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051

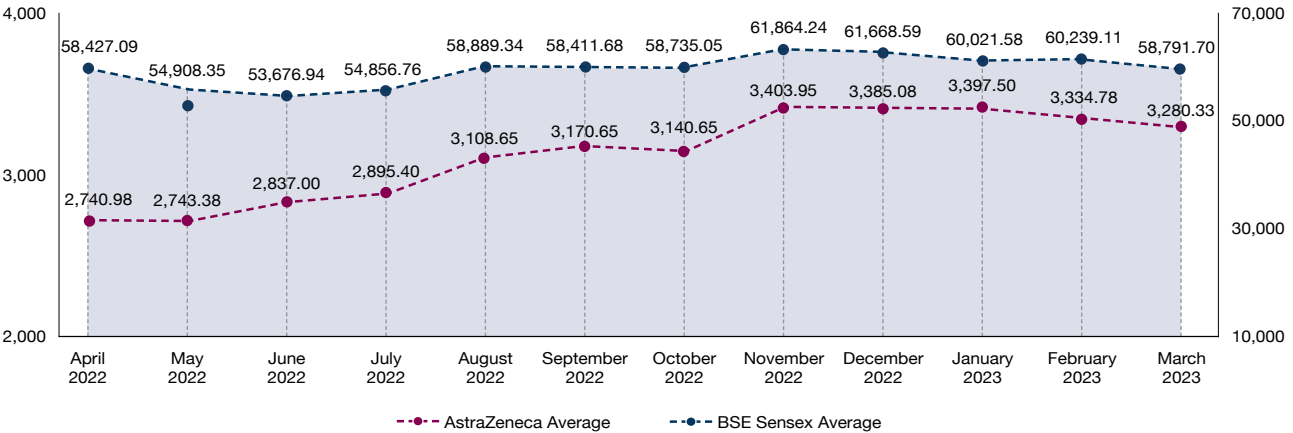
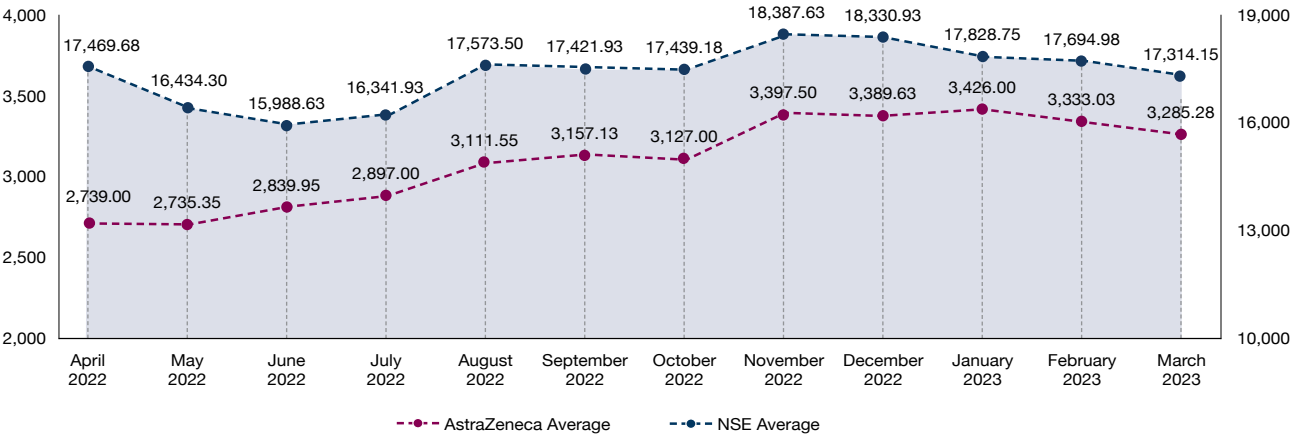
The Company has paid till date, appropriate listing fee to both the stock exchanges.

(vi) Monthly High/Low of market price of the Company’s shares traded on BSE and NSE for the financial year ended March 31, 2023:

Period	BSE		BSE Sensex Index		NSE		NSE Nifty Index	
	High (₹)	Low (₹)	High	Low	High (₹)	Low (₹)	High	Low
April 2022	2,931.80	2,550.15	60,845.10	56,009.07	2,926.00	2,552.00	18,114.65	16,824.70
May 2022	3,049.00	2,437.75	57,184.21	52,632.48	3,025.00	2,445.70	17,132.85	15,735.75
June 2022	3,024.00	2,650.00	56,432.65	50,921.22	3,025.00	2,654.90	16,793.85	15,183.40
July 2022	3,125.00	2,665.80	57,619.27	52,094.25	3,130.00	2,664.00	17,172.80	15,511.05
August 2022	3,233.95	2,983.35	60,411.20	57,367.47	3,248.95	2,974.15	17,992.20	17,154.80
September 2022	3,375.00	2,966.30	60,676.12	56,147.23	3,368.45	2,945.80	18,096.15	16,747.70
October 2022	3,342.20	2,939.10	60,786.70	56,683.40	3,343.00	2,911.00	18,022.80	16,855.55
November 2022	3,619.70	3,188.20	63,303.01	60,425.47	3,620.00	3,175.00	18,816.05	17,959.20
December 2022	3,536.55	3,233.60	63,583.07	59,754.10	3,539.00	3,240.25	18,887.60	17,774.25
January 2023	3,550.00	3,245.00	61,343.96	58,699.20	3,599.00	3,253.00	18,251.95	17,405.55
February 2023	3,478.65	3,190.90	61,682.25	58,795.97	3,480.00	3,186.05	18,134.75	17,255.20
March 2023	3,450.55	3,110.10	60,498.48	57,084.91	3,466.95	3,103.60	17,799.95	16,828.35

Source: www.bseindia.com and www.nseindia.com

(vii) Performance of the Company’s equity shares in comparison to NSE Nifty and BSE Sensex during the financial year 2022-23



(viii) Registrar & Transfer Agent

Integrated Registry Management Services Private Limited
30, Ramana Residency, 4th Cross,
Sampige Road, Malleshwaram,
Bengaluru – 560 003
Tel: (080) 23460815-8
Fax: (080) 23460819

(ix) Share Transfer System

Share Transfer Committee comprising the Directors and officials of the Company considers requests received for duplicate certificates, split/consolidation, dematerialisation, rematerialisation and transmission of shares. All the requests received as specified above are normally processed as per the prescribed timelines upon receipt of complete set of documents.

Reconciliation of Share Capital Audit:

A qualified Practising Company Secretary carries out Share Capital Audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

(x) Distribution of Shareholding as on March 31, 2023

No. of equity shares held	No. of Shareholders	%	No. of Shares	%
Up to 5,000	42,061	99.80	2,269,593	9.08
5,001 to 10,000	28	0.07	201,158	0.80
10,001 to 20,000	26	0.06	369,856	1.48
20,001 to 30,000	7	0.02	187,142	0.75
30,001 to 40,000	4	0.01	133,717	0.53
40,001 to 50,000	5	0.01	243,969	0.98
50,001 to 100,000	6	0.01	469,355	1.88
100,001 and above	9	0.02	21,125,210	84.50
Total	42,146	100.00	25,000,000	100.00

(xi) Shareholding Pattern as on March 31, 2023

Particulars	Physical Holdings	Electronic Holdings	Total Holdings	%
AstraZeneca Pharmaceuticals AB	-	18,750,000	18,750,000	75.00
Banks	125	250	375	-
Alternative Investment Funds	-	47,200	47,200	0.19
Trusts	-	146	146	-
Mutual Funds	-	303,883	303,883	1.22
FII's	-	675,231	675,231	2.70
Non-Resident Indians	500	95,153	95,653	0.38
Clearing Member	-	1,261	1,261	-
Indian Corporate Bodies	-	371,974	371,974	1.49
Investor Education and Protection Fund Authority	-	108,682	108,682	0.43
Others – Public	156,990	4,488,605	4,645,595	18.78
Total	157,615	24,842,385	25,000,000	100.00

(xii) Dematerialisation of shares and liquidity

The Company’s equity shares are compulsorily traded in the dematerialised form. As on March 31, 2023, out of 25,000,000 equity shares of the Company, 24,842,385 equity shares representing 99.37% of the total equity share capital is held in dematerialised form with National Securities Depository Limited and Central Depository Securities (India) Limited.

(xiv) Plant location

12th Mile on Bellary Road,
Venkata, Kattigenahalli Village,
Yelahanka, Bengaluru - 560 063

(xiii) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

None

(xv) Company’s Address for correspondence

Company Secretary/Compliance Officer
AstraZeneca Pharma India Limited
Block N1, 12th Floor, Manyata Embassy Business Park,
Rachenahalli Outer Ring Road, Bengaluru – 560 045
Tel: (080) 67748000
Fax: (080) 67748557
E-mail: comp.secy@astrazeneca.com

(xvi) Dividend declared in earlier years

Dividend for Financial year	%
2017-18	-
2018-19	-
2019-20	₹ 1/-per share (50%)
2020-21	₹ 2/- per share (100%)
2021-22 (interim)	₹ 2/- per share (100%)
2021-22 (final)	₹ 8/- per share (400%)

(xvii) Nomination Facility

Section 72 of the Companies Act, 2013, offers the facility of nomination. Members are advised to avail of this facility, to avoid the lengthy process of transmission formalities.

The nomination form may be obtained from the Company/ Registrar & Transfer Agent. However, if the shares are held in dematerialised form, the nomination has to be conveyed by the Members to their respective Depository Participant directly, as per the format prescribed by them.

Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Company’s Code of Conduct

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for the Board of Directors. These Codes are available on the Company’s website.

I confirm that the Company has in respect of the year ended March 31, 2023, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

On behalf of the Board of Directors

Place: Bengaluru
Date: May 30, 2023

Sanjeev Kumar Panchal
Managing Director

Certificate on Compliance with the conditions of Corporate Governance as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members
AstraZeneca Pharma India Limited
Bengaluru

I have examined all the relevant records of AstraZeneca Pharma India Limited (‘the Company’) for the purpose of certifying the compliances of the conditions of Corporate Governance by the Company, for the year ended March 31, 2023 as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘the Listing Regulations’).

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

I further 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.

Place: Bengaluru
Date: May 30, 2023

Vijayakrishna K. T.
Practising Company Secretary
FCS No.: 1788
CP-980
UDIN: F001788E000417676

Certificate as required under Schedule V of The SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015

To,
The Members
AstraZeneca Pharma India Limited
Bengaluru

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of AstraZeneca Pharma India Limited having CIN - L24231KA1979PLC003563 and having registered office at Block N1, 12th Floor, Manyata Embassy Business Park, Rachenahalli, Outer Ring Road, Bengaluru – 560 045 (hereinafter referred to as ‘the Company’), produced before me 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 my opinion and to the best of my 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 me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, the Ministry of Corporate Affairs, or any such other Statutory Authority:

Sl. No.	Name of Director	DIN	Date of appointment in Company
1.	Narayan Keelveedhi Seshadri	00053563	December 6, 2012
2.	Revathy Ashok	00057539	December 2, 2016
3.	Ankush Nandra	08737981	May 18, 2020
4.	Rajesh Marwaha	01458768	December 2, 2016
5.	Shilpa Shridhar Divekar	06619353	December 29, 2021
6.	Sanjeev Kumar Panchal*	09823879	January 1, 2023
7.	Weiying Sarah Wang	08369289	March 13, 2019

* Due to the technical hurdles posed by the Portal of the Ministry of Corporate Affairs, the Company could not file the requisite returns under the Companies Act, 2013 with the Ministry of Corporate Affairs relating to the appointment of Managing Director Mr. Sanjeev Kumar Panchal and also the application to the Ministry of Corporate Affairs Central Government seeking approval for the appointment of Managing Director within the prescribed time limits.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. My responsibility is to express an opinion on these based on my 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.

Place: Bengaluru
Date: May 30, 2023

Vijayakrishna K. T.
Practising Company Secretary
FCS No.: 1788
CP-980
UDIN: F001788E000417687

Annexure IX to Board’s Report

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

To,
The Members
AstraZeneca Pharma India Limited
(CIN: L24231KA1979PLC003563)

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by AstraZeneca Pharma India Limited (CIN: L24231KA1979PLC003563) (hereinafter called ‘the Company’). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by AstraZeneca Pharma India Limited for the financial year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
 - (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (ii) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (iii) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (iv) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;

- (v) Securities and Exchange Board of India (Share-Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (vi) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (vii) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- (viii) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (ix) 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;
- (x) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- (xi) Circulars/Guidelines issued thereunder.

- (vi) The other following laws as may be applicable specifically to the Company:
 - (a) Pharmacy Act, 1948
 - (b) Drugs and Cosmetics Act, 1940
 - (c) The Indian Copyright Act, 1957
 - (d) The Patents Act, 1970
 - (e) The Trade Marks Act, 1999

- (vii) The other following general laws as may be applicable to the Company during the audit:

(1) Employer/Employee Related Laws & Rules:

- (i) The Factories Act, 1948
- (ii) The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959
- (iii) The Apprentices Act, 1961
- (iv) The Employees Provident Fund & Miscellaneous Provisions Act, 1952
- (v) The Employees State Insurance Act, 1948
- (vi) The Maternity Benefits Act, 1961
- (vii) The Payment of Gratuity Act, 1972
- (viii) The Payment of Bonus Act, 1965
- (ix) The Payment of Wages Act, 1936
- (x) The Minimum Wages Act, 1948
- (xi) The Contract Labour (Regulation & Abolition) Act, 1970

- (xii) The Industrial Employment (Standing Orders) Act, 1946
- (xiii) Equal Remuneration Act, 1976
- (xiv) The Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013
- (xv) The Karnataka Industrial Establishments (National and Festival Holidays) Act, 1963
- (xvi) The Karnataka Labour Welfare Fund Act, 1965
- (xvii) The Karnataka Public Safety (Measures) Enforcement Act, 2017

(2) Environment Related Acts & Rules:

- (i) The Environment Protection Act, 1986
- (ii) The Water (Prevention & Control of Pollution) Act, 1974
- (iii) The Air (Prevention & Control of Pollution) Act, 1981
- (iv) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.

I have also examined compliances with the applicable clauses of Secretarial Standards on Board and General Meetings (SS – 1 and SS – 2) issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above and filings of the returns were undertaken in time or within the extended time limits.

However, due to the technical hurdles posed by the Portal of the Ministry of Corporate Affairs, the Company could not file the requisite returns under the Companies Act, 2013 with the Ministry of Corporate Affairs relating to the appointment of Managing Director

and also the application to the Central Government seeking approval for the appointment of Managing Director within the prescribed time limits.

Further, I report that with regard to financial and taxation matters, I have relied on the Audit Report, Limited Review Report and the Internal Audit Report provided by the Statutory/Internal Auditor as the case may be.

I further report that 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 which took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members’ views are captured and recorded as part of the minutes as per the practice followed. However, during the period under report, there was no such case instance.

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

Vijayakrishna K. T.
Practising Company Secretary
FCS No.: 1788
CP-980
UDIN: F001788E000417643

Place: Bengaluru
Date: May 30, 2023

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

Annexure

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

1.

Maintenance of secretarial records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2.

I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for our opinion.
3.

I have not verified the correctness and appropriateness of financial records and Books of Account of the Company including records under Income Tax Act, Customs Act and Goods and Services Tax Act.
4.

Wherever required, the Company has represented about the compliance of laws, rules and regulations and happening of events, etc. as applicable from time to time.
5.

The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. My 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.

Vijayakrishna K. T.

Practising Company Secretary

FCS No.: 1788

CP-980

UDIN: F001788E000417643

Place: Bengaluru
Date: May 30, 2023

Business Responsibility & Sustainability Report

Director's Message

Dear Stakeholders,

I am pleased to share with you our first Business Responsibility and Sustainability Report (BRSR) report, which outlines our ongoing commitment to corporate responsibility and sustainability. At AstraZeneca, we recognise the importance of balancing economic, social, and environmental considerations in all that we do. As such, we remain committed to drive positive change through our business practices and operations.

Over the past year, we have made significant strides in advancing our sustainability initiatives and data management. As we navigate current socio-economic and environmental challenges, we must prioritise building sustainable, resilient, and equitable health systems that protect current and future generations.

In addition, we have prioritised social responsibility by investing in our employees, supporting our local communities, and fostering diversity and inclusion throughout our organisation. We believe that a strong commitment to social responsibility is essential to building a sustainable business that creates value for all stakeholders.

While we are proud of our progress, we recognise that there is still much work to be done. We remain committed to continuous improvement and will continue to push ourselves to raise the bar on sustainability performance. We believe that by working together with our stakeholders, we can create a brighter, more sustainable future for all.

Thank you for your ongoing support and partnership as we continue our sustainability journey.

About This Report

This is the first year wherein the Company is releasing the report against the new Business Responsibility & Sustainability Report (BRSR) guidelines. Through this report, the Company intends to communicate its vision of a purpose-driven, future-ready, and sustainable roadmap.

Sustainability at AstraZeneca means harnessing the power of science and innovation and our global reach to build a healthy future for people, society, and the planet.

Our sustainability strategy is built around three (3) pillars that put health at the heart of our work.

01 Access to Healthcare

Our Ambition

To promote prevention, increase access to life-saving treatments, and strengthen global healthcare and resilience and sustainability

02 Environmental Protection

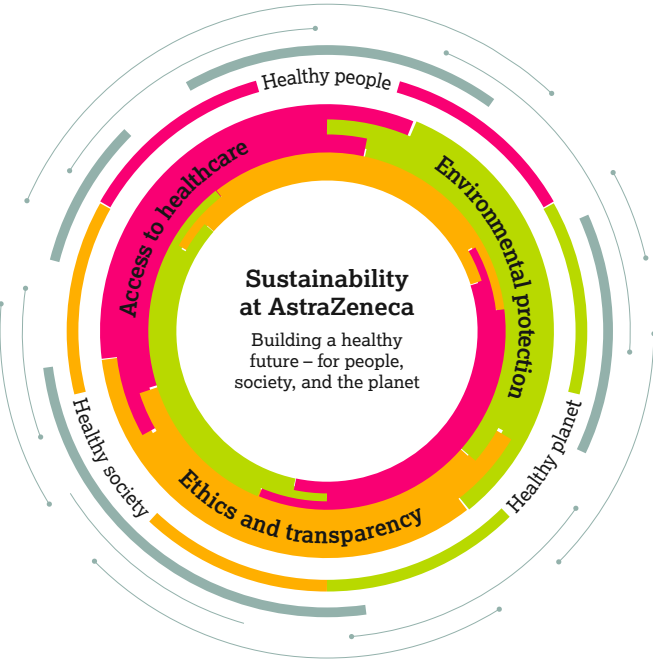
Our Ambition

Accelerating the delivery of net-zero healthcare, proactively managing our environmental impact across all activities, and investing in nature and biodiversity

03 Ethics and Transparency

Our Ambition

Ensuring ethical, open, and inclusive behavior across our organisation and value chain



Section A – General Disclosures

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	: L24231KA1979PLC003563
2.	Name of the listed entity	: AstraZeneca Pharma India Limited
3.	Year of incorporation	: 1979
4.	Registered office address	: Block N1, 12 th Floor, Manyata Embassy Business Park, Rachenahalli, Outer Ring Road, Bengaluru – 560 045, Karnataka, India
5.	Corporate address	: Block N1, 12 th Floor, Manyata Embassy Business Park, Rachenahalli, Outer Ring Road, Bengaluru – 560 045, Karnataka, India
6.	E-mail	: comp.secy@astrazeneca.com
7.	Telephone	: +91 80 6774 8000
8.	Website	: www.astrazeneca.com/india
9.	Financial year for which reporting is being done	: 2022-23
10.	Name of the Stock Exchange(s) where shares are listed	: BSE Limited and National Stock Exchange of India Limited
11.	Paid-up capital	: ₹ 50,000,000
12.	Name and contact details (telephone, e-mail address) of the person who may be contacted in case of any queries on the BRSR report	: Ms. Manasa. R : Contact No: 080 - 67748000 : E-mail ID: comp.secy@astrazeneca.com
13.	Reporting boundary	: Disclosure under this BRSR is on standalone basis.

II. Products and Services

14. Details of business activities (accounting for 90% of the turnover on a standalone basis)

Sl. No.	Description of Main Activity	Description of Business Activity	Percentage of Turnover of the entity
1.	Pharmaceuticals	Manufacturing, marketing, and trading of pharmaceutical products	100

15. Products/Services sold by the entity (accounting for 90% of the entity’s turnover on a consolidated basis)

Sl. No.	Product/Service	NIC Code	Percentage of total Turnover contributed
1.	Drugs and Pharmaceutical products	210	100

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of plants (including manufacturing plant, warehouse, and depots)	Number of offices	Total
National	1*	2	3
International	0	0	0

*The Company has one (1) manufacturing plant including the warehouse.

17. Markets served by the entity:

a) Number of locations

Locations	Number
National (Number of States)	Pan-India
International (No. of Countries)	1 (Nepal)

b) What is the contribution of exports as a percentage of the total turnover of the entity?

Out of total turnover of INR 10,290.7 million, the export sales contributed to INR 640.40 million (6.22%) during the Financial Year 2022-23.

c) A brief on types of customers

Our Company’s customer base includes distributors, hospitals, and Government institutions.

IV. Employees

18. Details as at the end of Financial Year

a) Employees and workers (including differently abled):

Sl. No.	Particulars	Total	Male		Female	
			No. of male employees	Percentage (%) of total	No. of female employees	Percentage (%) of total
Employees						
1	Permanent	883	731	83	152	17
2	Other than Permanent	0	0	0	0	0
Total employees		883	731	83	152	17
Workers						
1	Permanent	64	55	86	9	14
2	Other than Permanent	0	0	0	0	0
Total		64	55	86	9	14

b) Differently abled Employees and workers:

Sl. No.	Particulars	Total	Male		Female	
			No. of male employees	Percentage (%) of total	No. of female employees	Percentage (%) of total
Differently Abled Employees						
1	Permanent	1	1	100	0	0
2	Other than Permanent	0	0	0	0	0
Total differently abled employees		1	1	100	0	0
Differently Abled Workers						
1	Permanent	0	0	0	0	0
2	Other than Permanent	0	0	0	0	0
Total differently abled workers		0	0	0	0	0

19. Participation/Inclusion/Representation of women

Particulars	Total	No. and percentage of Females	
		No. of women representation	Percentage (%) of total
Board of Directors	7	3	43
Key Management Personnel	3	1	33

20. Turnover rate for permanent employees and workers (trend for past 3 years)

Particulars	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to previous year)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	21.09%	20.88%	21.06%	13.01%	17.82%	13.70%	7.80%	15.05%	8.83%
Permanent Workers	95.24%	28.57%	*89.18%	4.42%	15.38%	5.25%	4.23%	6.90%	4.44%

*Higher attrition percentage is due to Voluntary Retirement Scheme (VRS) rolled out by the Company in the financial year 2022-23.

V. Holding, Subsidiary and Associate Companies (Including Joint Ventures)

21. Names of holding/subsidiary/associate companies/joint ventures

Sl. No.	Name of the holding/subsidiary/ associate companies/joint ventures (column A)	Indicate whether holding/ Subsidiary/Associate/Joint Venture	Percentage (%) of shares held by listed entity	Does the entity indicated in column A participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	AstraZeneca Pharmaceuticals AB	Holding Company	75	No

VI. CSR Details

22. Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

- I. Turnover – ₹ 10,029.7 million
- II. Net worth – ₹ 5,886.9 million

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

23. Complaints/Grievances on any of the principles (Principle 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder Group from whom compliant is received	Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide web-link for grievance redressal policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes https://www.astrazeneca.in/content/dam/az-in/pdf/pdfs250417/8.%20Code%20of%20Conduct%20for%20the%20Employees%20-%20para%20on%20Human%20Rights.pdf	-	-	-	-	-	-
Shareholders	Yes https://www.astrazeneca.in/investor-relations.html#redressal-of-grievances	3	-	NA	2	1	NA
Investors (other than Shareholders)	NA	-	-	NA	-	-	NA
Employees and workers	Yes https://www.astrazeneca.in/content/dam/az-in/pdf/pdfs250417/8.%20Code%20of%20Conduct%20for%20the%20Employees%20-%20para%20on%20Human%20Rights.pdf	-	-	-	-	-	-
Customers	Yes https://www.astrazeneca.in/content/dam/az-in/pdf/pdfs250417/8.%20Code%20of%20Conduct%20for%20the%20Employees%20-%20para%20on%20Human%20Rights.pdf	51	8	Mainly pertain to Product Quality Complaints	92	-	Mainly pertain to Product Quality Complaints

Stakeholder Group from whom compliant is received	Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide web-link for grievance redressal policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Others (including value chain partners)	https://www.astrazeneca.in/content/dam/az-in/pdf/2018/Code%20of%20Ethics%20for%20the%20Employees.pdf	-	-	NA	-	-	NA

24. Overview of the entity’s material responsible business conduct issues

Our materiality assessment is guided by the materiality assessment undertaken by the AstraZeneca Group. The materiality assessment identified the issues that matter most to AstraZeneca’s Group companies and stakeholders and showed where AstraZeneca can have a positive impact.

Sl. No.	Material issue identified	Whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (positive or negative implications)
1.	Access to healthcare	The identified material issue is an opportunity for the Company to provide and working towards: 1. Equitable Access: health should not be determined by who you are, where you live or where you were born. Therefore, we see this as an opportunity to work towards removing barriers to healthcare and give everyone the chance to be as healthy as possible. 2. Affordability and pricing: We are committed to addressing barriers to access and affordability. Therefore, we see an opportunity for industry, policymakers, and payers to work together to identify solutions. Through collaborations, partnerships, and stakeholder coalitions we are working to ensure essential and innovative medicines become more widely available. 3. Health system resilience: During the COVID-19 pandemic, we saw the need for health systems to adapt to ever-changing societal and economic circumstances to cope with shocks and crisis situations.	Health is a key for people and our planet to thrive. Therefore, our ambition is to promote prevention, increase access to life saving treatment, and strengthen global healthcare resilience and sustainability	Not Applicable	Positive: Access to healthcare, motivate the Company to innovate sustainable healthcare solutions which are essential to improving global health outcomes. Further, the positive impacts towards specific opportunities are delineated below: 1. Equitable Access: We have embedded practices into the product portfolio to drive equitable access to healthcare – including digital health, clinical trial diversity, patient centricity, investing in rare diseases, open innovation, and Intellectual Property (IP) sharing arrangements. 2. Affordability and pricing: We are committed to drive accessibility of medicines for diverse, equitable, and inclusive patient groups, through company policy and programming, including core pricing principles and access programmes 3. Health system resilience: We are committed to strengthen health systems by advocating for health system reform and policy; building capabilities to address unmet medical need, improve access to quality healthcare and provide solutions along a continuum of care – from prevention, awareness, diagnosis, and treatment to post-treatment and wellness; and committing to disaster relief, grants, and donations.

Sl. No.	Material issue identified	Whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (positive or negative implications)
2.	Environmental Protection	The identified material issue is an opportunity for our Company to meet our ambition – Accelerating the delivery of net-zero healthcare, proactively managing our environmental impact across all activities, and investing in nature and biodiversity. Further, our focus areas as part of the identified material issue are: 1. Ambition Zero Carbon 2. Product Sustainability 3. Natural resources	Supporting a healthy environment improves health outcomes and helps prevent the onset of certain diseases likely to become more prevalent in a changing climate	Not Applicable	Positive: Beyond the benefits of our medicines to patients, our contribution to society must respect our environment and ensure the sustainable use of the planet’s finite natural resources. We know that a healthy environment is critical for human health. Further, the positive impacts towards specific opportunities are delineated below: 1. Ambition Zero Carbon: (i) Achieve net-zero by avoiding GHG (Green House Gas) emissions through our facility and product design, maximising our energy efficiency, shifting to renewable energy sources, transitioning to an electric vehicle (EV) fleet, and investing in nature-based removals to compensate for any residual GHG footprint; and (ii) build resilience by managing the physical (sites, supply chain) and transitional (regulatory, market and product) risks and opportunities arising from climate change in the value chain through adaption and business continuity planning. 2. Product Sustainability: People and the planet benefit from those medicines which have the smallest possible environmental impact yet maintain the highest medical efficacy and safety standards. Therefore, we are following processes through the life cycle of our products with the aim of understanding and addressing their environmental impact; from discovery through development and production, to launching a new product and to the end of product life. 3. Natural Resource: The conservation and sustainable use of natural resources and the protection and restoration of ecosystems is vital to shape a healthy future with resilient people and communities, building harmony between society and the natural environment. Therefore, we see this as an opportunity to meet our commitment towards – (i) Reducing our impact on the planet through the efficient, circular use of water and other natural resources across the value chain to ensure responsible sourcing, consumption production, and disposal; (ii) protecting and restoring ecosystems to improve health outcome and tackle environmental drivers of disease such as water and air quality, through our focus on water stewardship and biodiversity.
3.	Ethics and Transparency	The identified material issue is an opportunity for our Company to ensure ethical, open, and inclusive behaviour across our organisation and value chain.	It guides the Company in fostering a culture of doing the right thing across our value chain and promotes health and well-being.	Not Applicable	Positive: It is important for us to create value beyond the impact our medicines have on patients. We need to ensure that we retain and increase trust across all our stakeholders’ groups in order to continue to deliver life-changing medicines to patients. The positive impact of the material issues, includes:

Sl. No.	Material issue identified	Whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (positive or negative implications)
			Further, we seek to create positive societal impact and embed ethical behaviour in all our business activities, markets, and value chain. We promote ethical, transparent, and inclusive policies internally and with our partners and suppliers.		1. Ethical Business Culture: An ethical business culture is essential to successful risk management, and we are committed to increasing public trust in our industry. Further, it drives the highest standards of conduct and accountability beyond compliance including, but not limited to, anti-bribery and anti-corruption, product safety, use of human tissues and animal for research, human rights and building supplier capabilities to uphold high social standards. 2. Inclusion and Diversity: We believe that inclusion is a right and diversity is a strength. Both make a fundamental contribution to the success of our Company because innovation requires breakthrough ideas that only come from a diverse workforce empowered to challenge conventional thinking. Furthermore, it creates a working environment where every employee has a sense of belonging, regardless of gender, race, ethnicity, origin, religion, age, disability status or sexual orientation. This includes equitable compensation, benefits and opportunities for development and advancement. 3. Workforce safety and health: To continue to deliver medicines to patients, we must foster an environment where people feel safe, energised, and inspired. The resources we put into supporting the physical and mental health and safety of our workforce are an investment in society at large, the communities where we operate, and the long-term health of economies. Contributing to a safe and healthy environment is the right thing to do and can also have positive business impact.

Section B: Management and Process Disclosures

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Disclosures Questions	Ethics and Transparency	Product Responsibility	Human Resources	Responsiveness to Stakeholders	Human Rights	Protect & Restore Environment	Public Policy Advocacy	Inclusive Growth	Customer Engagement
Policy and Management Processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://www.astrazeneca.in/policy.html								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle	No	No	No	No	No	No	No	No	No
5. Specific commitments, goals and targets set by the entity with defined timelines, if any	-	-	-	-	-	-	-	-	-
6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met	-	-	-	-	-	-	-	-	-
Governance, Leadership and Oversight									
7. Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements	Director's Message at the beginning of this Business Responsibility and Sustainability Report.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies)	Name: Mr. Sanjeev Kumar Panchal Designation: Managing Director DIN: 09823879								

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Disclosures Questions	Ethics and Transparency	Product Responsibility	Human Resources	Responsiveness to Stakeholders	Human Rights	Protect & Restore Environment	Public Policy Advocacy	Inclusive Growth	Customer Engagement
9. Does the entity have a specified Committee of the Board/Director responsible for decision-making on sustainability related issues? (Yes/No). If yes, provide details	Yes, Mr. Sanjeev Kumar Panchal, Managing Director, oversees the Business Responsibility and Sustainability initiatives of the Company.								

1. Details of Review of National Guidelines on Responsible Business Conduct (NGRBCS) by the Company

Subject for Review	Review of Principles undertaken by and Frequency
Performance against above policies and follow up action	As a practice, all our policies are reviewed periodically or on a need basis by department heads, business heads and directors. During such assessment, efficacy of the policies is reviewed and necessary changes to policies and procedures are implemented.
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company is in compliance with the extant regulations, as applicable.
Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No)	No, the Company internally reviews the working of the above-mentioned policies

2. If answer to question (1) above is “No” i.e. not all principles are covered by a policy, reason to be stated
Not Applicable

Section C: Principle-Wise Performance Disclosure

PRINCIPLE 1:

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year.

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of Directors Key Managerial Personnel (KMP)	14	As a part of familiarisation program, the Directors are apprised on various matters relating to the Company's strategy, business financial & operational performance, organisation structure, risk management framework, legal & compliance, human resources, technology, safety, health & environment, regulatory & quality updates, and future outlook. Trainings are also conducted for the KMP's which includes POSH, Code of Ethics, Cyber Security, Data Privacy, Ergonomics, etc.	100
Employees other than Board of Director (BoD) and Key Managerial Personnel (KMPs) Workers	91	Multiple training programmes covering wide gamut of all principles & topics such as Code of Ethics, Data Privacy, POSH, Safety, Heath & Environment, Cyber Security amongst others were given by the Company during the year. Further the Company also conducts skill upgradation training for the employees & workers.	100

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year.

Monetary					
	NGRBC (National Guidelines on Responsible Business Conduct) Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine					
Settlement			Nil		
Compounding fee					
Non-Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions		Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment					
Punishment			Nil		

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Company has an anti-corruption and anti-bribery policy. The key principles of the policy are:

- i. We do not tolerate bribery or other forms of corruption, even if we might lose business
- ii. Bribery involves using something of value to improperly influence someone. Something of value includes more than just money
- iii. Bribery risk exists in our interactions with anyone involved in our business, not just public officials
- iv. We do not give or accept bribes, and we do not allow third parties to do so on our behalf.

Below is the link to our anti-corruption & anti-bribery policy:

[https://www.astrazeneca.com/content/dam/az/Sustainability/2019/Anti-Bribery%20&%20Anti-Corruption%20\(ABAC\)%20Global%20Standard.pdf](https://www.astrazeneca.com/content/dam/az/Sustainability/2019/Anti-Bribery%20&%20Anti-Corruption%20(ABAC)%20Global%20Standard.pdf)

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	FY 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

Particulars	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest. Not applicable

PRINCIPLE 2:

Businesses should provide goods and services in a manner that is sustainable and safe

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	2022-23	2021-22	Details of improvements in environmental and social impacts
R&D	Nil	Nil	Not Applicable
Capex	11.5%	31.9%	Energy conservation & reduction in carbon emission

2. (a) Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, the Company has procedures in place to implement responsible procurement practices and encourages sustainable sourcing enabling the reduction in environmental footprint. We expect all employees and contractors to follow our Global Standard for the Procurement of Goods and Services and all our suppliers and partners must meet our Global Standard on Expectations of Third Parties.

(b) If yes, what percentage of inputs were sourced sustainably?

The Company aims to achieve *Zero Carbon Emission by 2025 & Carbon Negative by 2030*. To achieve the target of carbon reduction, Company has taken many initiatives including control on the air travel & converting company car into electric vehicle going-forward.

Further, all our strategic and critical suppliers are evaluated against AstraZeneca's One procurement Third Party Risk Management (3PRM) process. The 3PRM process covers 12 risk areas including responsible sourcing (including sustainability and conflict minerals). As a practice, the concerned business owner should evaluate the new vendor/supplier/third-party against the 3PRM process before onboarding.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life.

Product Type	Process adopted
(a) Plastics	Company has implemented re-usable Ecowrap to reduce single use shrink wrap.
(b) E-Waste	- We ensure the maximum utilisation of all IT (Information Technology) equipment to its full productive capacity. - To extend the useful life of IT equipment, the components of damaged devices are replaced/serviced. - E-waste that has reached the end of its life is disposed through the government certified vendors.
(c) Hazardous waste	All product waste (near to expiry, breakage, and expiry) is collected back from the depots and disposed to KSPCB (Karnataka State Pollution Control Board) authorised recycler.
(d) Other waste	Nil

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the ERP plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, EPR is applicable to the organisation as we fall in the category of Brand owner and Importers. The organisation is in the process of filing the application with Central Pollution Control Board (CPCB) to get the EPR number. The waste collection plan in accordance with EPR guidelines is being developed.

PRINCIPLE 3:

Businesses should respect and promote the well-being of all employees, including those in their value chains

1. a. Details of measures for the well-being of employees:

Category	Total	Employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care	
		Number	%	Number	%	Number	%	Number	%	Number	%
Permanent Employees											
Male	731	731	100	731	100	NA	NA	731	100	NA	NA
Female	152	152	100	152	100	152	100	NA	NA	152	100
Total	883	883	100	883	100	152	100	731	100	152	100
Other than permanent employees*											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

*Not Applicable as no other than permanent employee is employed by the Company

b. Details of measures for the well-being of workers:

Category	Total	Percentage of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number	%	Number	%	Number	%	Number	%	Number	%
Permanent workers											
Male	55	55	100	55	100	NA	NA	55	100	NA	NA
Female	9	9	100	9	100	9	100	NA	NA	9	100
Total	64	64	100	64	100	9	14	55	86	9	14
Other than Permanent workers											
Male	NA	NA		NA		NA		NA		NA	
Female	NA	NA		NA		NA		NA		NA	
Total	NA	NA		NA		NA		NA		NA	

2. Details of retirement benefits:

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a percentage of total employees	No. of workers covered as a Percentage of total workers	Deducted and deposited with the authority (Y/N/NA)	No. of employees covered as a percentage of total employees	No. of workers covered as a percentage of total workers	Deducted and deposited with the authority (Y/N/NA)
Provident Fund (PF)	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
Employee State Insurance (ESI)	NA*	NA	NA	NA	NA	NA
Others- Please Specify	NA	NA	NA	NA	NA	NA

*Not Applicable as all the permanent employees and workers are covered by health and accident insurance, thus, Employee State Insurance (ESI) is not applicable.

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The premises and offices of the Company, including the registered and corporate offices, have ramps to enable easy movement of differently abled employees.

Most premises and offices are located either on the ground floor or have elevators for differently abled employees.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company highly values the diversity of skills and abilities that a global workforce brings to our business. We are committed to supporting diversity in our workforce and in our leadership and to develop all the talent within our organisation. All decisions about recruitment, hiring, compensation, development and promotion must be made solely on the basis of a person’s ability, experience, behaviour, work performance and demonstrated potential in relation to the needs of the job. The same has been further detailed in Company’s Code of Conduct document which can be accessed at the Company’s website - <https://www.astrazeneca.in/policy.html>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	88.4%	-	-
Female	100%	89%	-	-
Total	100%	88%	-	-

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

Particulars	Yes/No	(If yes, then give details of the mechanism in brief)
Permanent Workers	Yes	We have established an AZ Ethics portal available to all workers, to report concerns. Workers are also motivated to raise their concerns or grievances during the monthly and quarterly meetings.
Other than Permanent Workers	Not Applicable	Not Applicable
Permanent Employees	Yes	Similar to workers, an AZ Ethics portal is available to all employees, to report concerns or grievances. Further, AstraZeneca has established a formal Grievance Redressal Policy.
Other than Permanent Employees	Not Applicable	Not Applicable

7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees/ workers in respective category	No. of employees/ workers in respective category, who are part of association(s) or Union	%	Total employees/ workers in respective category	No. of employees/ workers in respective category, who are part of association(s) or Union	%
Total Permanent Employees	883	-	-	1,014	-	-
Male	731	-	-	869	-	-
Female	152	-	-	145	-	-
Total Permanent Workers	64	64	100	169	169	100
Male	55	55	100	155	155	100
Female	9	9	100	14	14	100

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		Number	%	Number	%		Number	%	Number	%
Permanent Employees										
Male	731	731	100	731	100	869	869	100	869	100
Female	152	152	100	152	100	145	145	100	145	100
Total	883	883	100	883	100	1,014	1,014	100	1,014	100
Permanent Workers										
Male	55	55	100	55	100	155	155	100	155	100
Female	9	9	100	9	100	14	14	100	14	100
Total	64	64	100	64	100	169	169	100	169	100

9. Details of performance and career development reviews of employees and workers:

Category	FY 2022-23			FY 2021-22		
	Total	Number	%	Total	Number	%
Employees						
Male	731	731	100	869	869	100
Female	152	152	100	145	145	100
Total	883	883	100	1,014	1,014	100
Workers						
Male	55	55	100	155	155	100
Female	9	9	100	14	14	100
Total	64	64	100	169	169	100

10. Health and safety management system:

- a.

Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such a system?
Yes- SHE (Safety Health & Environment) Management system has been implemented as per Global SHE guidelines. It covers all the operations of the manufacturing plant.
- b.

What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?
There are processes adopted to identify and mitigate work-related hazards and assess the risks, including:
 - Process and procedures related to SHE.
 - Occupational and Industrial hygiene risk assessments.
- c.

Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)
Yes, the Company has process for workers to report unsafe acts and conditions through a STOP card system and online reporting tool as per the AZ SHE System.
- d.

Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)
Yes, the Company has tie-ups with multiple hospitals chains for the employees/workers as part of employee insurance. Employees/workers can access those hospital chains and claim the amount as covered under insurance. Also the employees/workers at the manufacturing plant have access to in-house occupational health centre (OHC) with factory medical officer and nursing staff.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	7	3
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the Company to ensure a safe and healthy workplace.

The Company has adopted several initiatives for ensuring a safe and healthy workplace for its employees and workers:

- SHE policy, part of the Company’s code of ethics and SHE Management system has been adopted by the Company
- The Company’s plant has its own in-house occupational health centre (OHC) with factory medical officer and nursing staff
- Road accidents have been identified as a major hazard for field employees. Below are the mitigation measures:
 - Defensive training is imparted to the employees during induction
 - Crash helmet is being provided to 2-wheeler users
- Safety riding jacket provided to 2-wheeler users
- Fire has been identified as a hazard for office-based employees. Below are the mitigation measures:
 - Fire safety equipment has been installed as per requirement
 - Biannual evacuation mock drills are conducted for the corporate office

13. Number of Complaints on the following made by employees and workers:

Particulars	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	NA	-	-	NA
Health & Safety	-	-	NA	-	-	NA

14. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	SHE Audit was conducted in 2023 covering the manufacturing plant.
Working Conditions	SHE and Secretarial Audit covering the working conditions was undertaken at the manufacturing plant.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions:
- Significant Injury/Fatality prevention programme has been implemented to minimise hazards from high-risk operations such as Lock Out Tag Out (LOTO), confined space, Contractor safety, Process safety and Work at height
 - Process confirmation critical safety protocols by Senior leadership team

PRINCIPLE 4:

Businesses should respect the interests of and be responsive to all its stakeholders

1. Describe the processes for identifying key stakeholder groups of the entity.				
Stakeholder mapping/identification is done based on the analysis of the stakeholder groups that could have potential impact on our business operations as well as the impact which the Company might have on them. The Company actively engage with key stakeholders to understand their key expectations and develop strategies to address them.				
2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.				
Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (E-mail, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/Quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Healthcare Professionals (HCPs)	No	Regular business interactions through Conferences, Surveys, Face to Face meetings & Virtual interactions.	Regular/As per practice	- Information in and around the product and therapy area - Frequent engagement and understanding HCP's and patient's needs - Responding to queries
Regulators	No	- In-person/Virtual Meetings - E-Mail communications	Need Based	- Regulatory Compliances - Responding to queries
Investors/ Shareholders	No	- Annual reports & Annual General Meeting - Quarterly reports filed through stock exchanges - Material Announcements through stock exchange	- Annually - Quarterly - Need-based	- Performance & Financial results - Corporate Governance - Transparency in Disclosures
Employees	No	- Townhall Meetings - Performance Appraisals reviews - E-mails & Meetings - Training Programmes - Employee Engagement Programmes	Regular/As per practice	- Training, Professional Growth & Development - Well-being initiatives - Employee Recognitions - Updates & Communications on policies, processes & systems.
Suppliers	No	- E-mails & Meetings - Supplier Assessment & Reviews - Trainings - Regular Business Interactions	Regular/As per practice	- Supplier Assessments - Promoting Shared Growth - Payments & Collaborations
Community	Yes	- In-person meetings - Engagement through NGO partners	Regular/As per practice	- Increasing awareness & understanding of non-communicable disease - CSR Activities
Industry Associations	No	- E-mail - In-person - Virtual meetings	Need-basis	- Policy Shaping

PRINCIPLE 5:

Businesses should respect and promote human rights

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:										
Category	FY 2022-23			FY 2021-22						
	Total	Number	%	Total	Number	%				
Employees										
Permanent	883	883	100	1,014	1,014	100				
Other than permanent	0	0	0	0	0	0				
Total	883	883	100	1,014	1,014	100				
Workers										
Permanent	64	64	100	169	169	100				
Other than permanent	0	0	0	0	0	0				
Total	64	64	100	169	169	100				
2. Details of minimum wages paid to employees and workers:										
Category	FY 2022-23					FY 2021-22				
	Total	Equal to Minimum Wage		More than Minimum Wage		Total	Equal to Minimum Wage		More than Minimum Wage	
		Number	%	Number	%		Number	%	Number	%
Permanent Employees										
Male	731	0	0	731	100	869	0	0	869	100
Female	152	0	0	152	100	145	0	0	145	100
Other than Permanent Employees*										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Permanent Workers										
Male	55	0	0	55	100	155	0	0	155	100
Female	9	0	0	9	100	14	0	0	14	100
Other than Permanent Workers										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

*Not Applicable as no other than permanent employees and workers are employed by the Company

3. Details of remuneration/salary/wages:

Category	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Directors	2	31,698,453	0	NA
Key Managerial Personnel	2	31,698,453	1	2,179,170
Employees	768	1,459,756	161	1,327,274
Workers	55	1,200,291	9	1,314,603

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Head of Human Resource is responsible for addressing human rights impacts. The Company supports the principles set out in the UN Declaration of Human Rights, and our policies detail our high standards of employment practice. These include respecting diversity and, as a minimum, complying with national legal requirements regarding wages and working hours. We also support the International Labour Organisation’s standards ratified by India.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Website (AZethics.com), e-mail id (GlobalCompliance@astrazeneca.com) and AZethics line (000-800-100-1071 or 000-800-001-6112) form a part of mechanism in place for grievance redressal on human rights issues. The Company’s code of conduct includes details on HOW TO ASK A QUESTION OR RAISE A CONCERN. Grievances can also be shared anonymously and efforts are taken to ensure that the information is kept confidential and communicated on a need-to-know basis.

The AZethics line and AZethics.com are managed by a third party on AstraZeneca’s behalf. When someone asks a question or raises concern, their wish to disclose contact information is checked.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	Nil	Nil	Nil	1	0	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour/Involuntary	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other Human rights related	Nil	Nil	Nil	Nil	Nil	Nil

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has established a formal “Bullying and Harassment Policy” to prevent adverse consequences to the complainant in discrimination and harassment cases. The policy is made available to all permanent employees and workers for their reference. Further, the policy sets out the guidelines for managers and employees on how to handle situations in which employees are being exposed to bullying or harassing actions.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, abiding by Human rights requirements is part of the contract document with all the contractors. The same is set out in the Company’s policy on “Expectations of Third Parties”.

9. Assessments for the year:

Category	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

Not applicable since no such incidents were reported.

PRINCIPLE 6:

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption [in Giga Joules (GJ) or multiples] and energy intensity:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	19217 GJ	22270 GJ
Total fuel consumption (B)	9161 GJ	17803 GJ
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	28738 GJ	40073 GJ
Energy intensity per rupee of turnover (Total energy consumption/turnover in million rupees)	2.79	4.88
Energy intensity	--	--

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, none of the sites/facilities were identified as designated consumers.

3. Provide details of the following disclosures related to water:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	26,927	32,258
(iii) Third party water	0	0
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	26,927	32,258
Total volume of water consumption (in kilolitres)	24,606	31,538
Water intensity per rupee of turnover (Water consumed/turnover in Million rupee)	2.39	3.84
Water intensity	-	-

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, generated effluent is 100% treated by in-house effluent treatment plant and used within the manufacturing plant for landscaping.

5. Please provide details of air emissions (other than GHG emissions) by the entity:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx (Nitrogen oxides)	mg/Nm3	14.37*	Nil No monitoring conducted due to COVID
SOx (Sulphur oxides)	mg/Nm3	8*	Nil No monitoring conducted due to COVID
Particulate matter (PM)	mg/Nm3	44.58*	Nil No monitoring conducted due to COVID
Persistent organic pollutants (POP)	mg/Nm3	Not Applicable	Not Applicable
Volatile organic compounds (VOC)	mg/Nm3	Not Applicable	Not Applicable
Hazardous air pollutants (HAP)	mg/Nm3	Not Applicable	Not Applicable
Others – Carbon Monoxide	mg/Nm3	Nil	Nil

*these are the average values of monthly monitoring at manufacturing plant.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

No independent assessment has been carried out. However, monthly ambient air quality monitoring is conducted at the manufacturing plant by M/s. Tejus Enterprises, a KSPCB approved third party monitoring agency.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	618	1156
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	0	0
Total Scope 1 and Scope 2 emissions per rupee of turnover		618	1156
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO2 eq./₹ turnover in Million rupee	0.06	0.14
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		--	--

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes, the entity has developed Roadmap and Glidepath for Energy and Carbon reduction for the manufacturing plant.

8. Provide details related to waste management by the entity:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.20	0.10
E-waste (B)	0.90	4.10
Bio-medical waste (C)	0.01	0.01
Construction and demolition waste (D)	Nil	Nil
Battery waste (E)	6.50	1.50
Radioactive waste (F)	Nil	Nil
Other Hazardous waste (G)	15.14	14.59
Other Non-hazardous waste generated (H) (Break-up by composition i.e. by materials relevant to the sector)	Nil	Nil
Total (A+B + C + D + E + F + G + H)	22.75	20.29

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	Recycled in Current FY	Re-used in Current FY	Other recovery operations in Current FY	Recycled in Previous FY	Re-used in Previous FY	Other recovery operations in Previous FY
Plastic waste (A)	0.20	NA	NA	0.10	NA	NA
E-waste (B)	0.90	NA	NA	4.10	NA	NA
Bio-medical waste (C)	0.01	NA	NA	0.01	NA	NA
Construction and demolition waste (D)	NA	NA	NA	NA	NA	NA
Battery waste (E)	6.50	NA	NA	1.50	NA	NA
Radioactive waste (F)	NA	NA	NA	NA	NA	NA
Other Hazardous waste (G)	NA	NA	NA	NA	NA	NA
Other Non-hazardous waste generated (H)	6.00	NA	NA	10.00	NA	NA
Total Waste Recovered (A+B + C + D + E + F + G + H)	13.61	0	0	15.71	0	0

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	Waste Incinerated in Current FY 2022-23	Waste in landfill in Current FY 2022-23	Other disposal in Current FY 2022-23	Waste Incinerated in previous FY 2021-22	Waste in landfill in Previous FY 2021-22	Other disposal in Previous FY 2021-22
Plastic waste (A)	NA	NA	NA	NA	NA	NA
E-waste (B)	NA	NA	NA	NA	NA	NA
Bio-medical waste (C)	NA	NA	NA	NA	NA	NA
Construction and demolition waste (D)	NA	NA	NA	NA	NA	NA
Battery waste (E)	NA	NA	NA	NA	NA	NA
Radioactive waste (F)	NA	NA	NA	NA	NA	NA
Other Hazardous waste (G)	13.30	NA	NA	13.50	NA	NA
Other Non-hazardous waste generated (H)	NA	NA	NA	NA	NA	NA
Total Waste Recovered (A+B + C + D + E + F + G + H)	13.30	NA	NA	13.50	NA	NA

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

No such assessment was carried out.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

- Non-hazardous waste is disposed through Bruhat Bengaluru Mahanagara Palika (BBMP) authorised vendor
- Hazardous waste is disposed through KSPCB authorised recycler
- Food waste is composted in-house and manure used for gardening
- The Company envisages to reduce its waste reduction through its waste reduction programs.



10.

If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required.

None of the Company's plant/offices are located in ecologically sensitive areas.
11.

Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

No, Environmental Impact Assessment (EIA) study has not been undertaken in the current financial year.
12.

Is the entity compliant with the applicable environmental law/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances.

Yes, the organisation is abiding by all the applicable laws. The organisation is complying with conditions obtained from KSPCB, Hazardous waste authorisation, Biomedical waste authorisation consents.

Leadership Indicators

1.

Provide break-up of the total energy consumed [in Giga Joules (GJ) or multiples] from renewable and non-renewable sources:

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	17466 GJ	19848 GJ
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	17466 GJ	19848 GJ
From non-renewable sources		
Total electricity consumption (D)	1751.67 GJ	2422.66 GJ
Total fuel consumption (E)	9161 GJ	17803 GJ
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	10912.67 GJ	20225.65 GJ

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.
No such assessment was conducted.

2.

Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	Nil	Nil
(ii) To Groundwater	Nil	Nil
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater	Nil	Nil
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties	Nil	Nil
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others	8848	10931
- No treatment	0	0
With treatment – please specify level of treatment	100%	100%
Total water discharged (in kilolitres)	8848	10931

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.
No such assessment was carried out.

3.

Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

For each facility/plant located in areas of water stress, provide the following information:

- (i)

Name of the area: Yelahanka, Bengaluru North - 560063
- (ii)

Nature of operations: Pharmaceutical Manufacturing
- (iii)

Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Groundwater	26927	32258
(iii) Third party water	Nil	Nil
(iv) Seawater/desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres)	26927	32258
Total volume of water consumption (in kilolitres)	24606	31538
Water intensity per rupee of turnover (Water consumed/turnover in million rupee)	2.39	3.84
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	Nil	Nil
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) Into Groundwater	Nil	Nil
- No treatment	0	0
- With treatment – please specify level of treatment	0	0

Parameter	FY 2022-23	FY 2021-22
(iii) Into Seawater	Nil	Nil
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties	Nil	Nil
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others	8848	10931
- No treatment	0	0
- With treatment – please specify level of treatment	100%	100%
Total water discharged (in kilolitres)	8848	10931

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

No such assessment was carried out.

4. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

As mentioned above, none of the project sites or offices are situated in ecologically sensitive areas.

5. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sl. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Solar Power through PPA (Power Purchase Agreement)	Contracts have been signed between multiple parties for procurement of solar power.	~ 80% of the power requirement at manufacturing plant is from green energy
2.	Inhouse Rooftop Solar	Installation of rooftop solar panels on the current facility	~ 15% of the power requirement at manufacturing plant is from green energy
3.	LPG (Liquefied Petroleum Gas)	Use of environment friendly LPG in place of diesel implemented for steam generation	Fuel efficiency & lesser carbon emission by ~ 20%
4.	Air Handling Unit Ramp down	Achieved Energy & water reduction by slowdown of AHUs during non-production hours.	Reduction in electricity consumption by ~ 34%
5.	Energy Conservation	- Usage of LED fixtures for lighting - Natural lighting & air ventilation system adopted in utility areas - Usage of motion sensors for office & production areas	Reduction in electricity consumption
6.	Eco wrap	Implemented reusable pallet wrap in place of shrink wrap (single use plastic)	Avoidance of ~1,000 kgs of single use plastic per annum
7.	Heat pump	Waste heat recovery is used from the chilled water to heat the hot water used for Air Handling Unit.	Reduction of steam used to heat the hot water
8.	Water stewardship Plan	Water reduction like chemical less cooling tower, rainwater harvesting	Water conservation

6. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

Yes, the Company has a business continuity and disaster management plan. Business Continuity (BC) is a structured process that enables us to restore our Critical Processes to pre-determined levels in a controlled manner following a period of disruption. We follow AstraZeneca global BC Process which consists of 6 following steps:

1. Understand your Business Area
2. Conduct a business impact analysis (BIA)
3. Develop & Roll-Out your BCP
4. Exercise/activate your BCP
5. Network, Collaborate & Share
6. Review, Revise & Report

Bengaluru site has identified the BCP (Business Continuity Plan) team and defined their roles and responsibilities. We review our site-specific BCP annually and update the changes to the critical process.

The Company is having asset specific disaster recovery plan to return asset to pre-event status.

7. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Not Applicable

PRINCIPLE 7:

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

1. (a) Number of affiliations with trade and industry chambers/associations.

The Company has affiliation with five (5) trade and industry chambers/associations.

(b) List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

Sl. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1.	Organisation of Pharmaceutical Producers of India	National
2.	JETCO – UK India Business Council	National
3.	Indian Society of Clinical Research	National
4.	Federation of Indian Chambers of Commerce and Industry	National
5.	Karnataka Drug Manufacturing Association	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

There are no adverse orders passed against the Company in relation to anti-competitive conduct.

Name of authority	Brief of the case	Corrective action taken
Not Applicable	Not Applicable	Not Applicable

PRINCIPLE 8:

Businesses should promote inclusive growth and equitable development

1.

Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

In the reporting year, the Company did not undertake any Social Impact Assessment.
2.

Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

In the reporting year, the Company did not undertake any Rehabilitation and Resettlement (R&R) for any project(s).
3.

Describe the mechanisms to receive and redress grievances of the community.

Website (AZethics.com), e-mail ID (GlobalCompliance@astrazeneca.com) and AZethics line (000-800-100-1071 or 000-800-001-6112) form a part of mechanism in place for grievance redressal on human rights issues. The Company’s code of conduct include details on HOW TO ASK A QUESTION OR RAISE A CONCERN. Grievances can also be shared anonymously and efforts are taken to ensure that the information is kept confidential and communicated on a need-to-know basis.

The AZethics line and AZethics.com are managed by a third party on AstraZeneca’s behalf. When someone asks a question or raises concern, their wish to disclose contact information is checked.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/small producers	0.94%	1.36%
Sourced directly from within the district and neighbouring districts	0.73%	1.36%

PRINCIPLE 9:

Businesses should engage with and provide value to their consumers in a responsible manner

1.

Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has a dedicated e-mail ID and an online tool/questionnaire available on AZ India Website to register any complaints relating to product quality. These complaints are automatically processed in the tool where the relevant quality team are assigned to work upon the complaint resolution. The investigation report is then shared with the complaint owner.
2.

Turnover of products and/services as a percentage of turnover from all products/services that carry information about

Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	100
Recycling and/or safe disposal	-

3. Number of consumer complaints in respect of the following:

Category	FY 2022-23		Remarks	FY 2021-22		Remarks
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Other	0	0	NA	0	0	NA

4. Details of instances of product recalls on account of safety issues:

Category	Number	Reasons for recall
Voluntary recalls	Nil	Not Applicable
Forced recalls	Nil	Not Applicable

5.

Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has a policy on Cyber security - <https://azusgb01--cms.visualforce.com/apex/Main?sname=Intranet&name=Cyber-Security&r=true#/>
6.

Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

There has been no instance of any corrective actions taken or underway on re-occurrence of instances of product recalls; penalty/ action taken by regulatory authorities on safety of products/services in recent past from Regulatory.

Independent Auditor’s Report

To the Members of AstraZeneca Pharma India Limited

Report on the Audit of the financial statements

Opinion

- 1. We have audited the accompanying financial statements of AstraZeneca Pharma India Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in equity and the Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
- 2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and total comprehensive income (comprising of profit and other comprehensive loss), changes in equity and its cash flows for the year then ended.

Key audit matter
Appropriateness of provisions recognised and contingent liabilities disclosed in respect of certain direct, indirect tax and regulatory matters
(Refer to the note 19 – “Provisions”, note 20 – “Current tax liabilities (net)” and note 32(b) – “Contingent liabilities” to the financial statements)
There are certain direct, indirect tax and regulatory matter pending against the Company.
Direct tax cases include demands in respect of transfer pricing adjustments on transactions with overseas group companies, disallowance of certain expenses incurred, taxability of subvention receipt and certain expense reimbursements and certain other disallowances.
Indirect tax cases include:
• service tax demands raised on expenses incurred in foreign currency, reimbursements from overseas group companies, recovery of notice period pay from former employees and ineligible input tax credit claimed on certain expenses, and, • goods and services tax demand pertaining to certain category of medicines supplied by the Company.
Regulatory matters pertains to demand from National Pharmaceutical Pricing Authority (NPPA) in respect of alleged overcharging of a patented drug.

Basis for Opinion

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

Key audit matters

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

How our audit addressed the key audit matter
Our procedures included the following:
• Understood, evaluated and tested the design and operating effectiveness of controls in respect of identifying tax and regulatory exposures, its accounting and disclosures thereof. • Obtained a listing of the litigation matters and, read the correspondence with tax and regulatory authorities and where relevant, the advice received by the management from its external consultants. • Evaluated the independence, objectivity and competence of the management experts involved. • Along with auditors’ tax and regulatory experts: a. Gained an understanding of the current status of litigations through our inquiries with management and determined impact, if any, based on recent rulings and latest developments in respective laws. b. Evaluated management’s assessment on the probability of outcome and the magnitude of potential outflow of economic resources in respect of: (i) provisions for uncertain tax exposures based on case history and other available evidence to challenge the valuation and completeness of the provisions recognised by the Management, and (ii) regulatory matter. c. Examined the evaluation obtained from the Company’s internal legal counsel to confirm our understanding of outstanding cases. d. Evaluated the adequacy of disclosures made in the financial statements.

Key audit matter
As at March 31, 2023, the Company has tax demands pertaining to the above direct and indirect tax matters aggregating to ₹1,345.0 million (including interest and penalties, where applicable) of which ₹ 42.5 million has been provided for and ₹ 1,302.5 million alongwith regulatory demand of ₹1,573.9 million has been disclosed as contingent liabilities, which are significant to the financial statements.
The Company has filed appeals against these demands with various appellate forums and High Court of Delhi which are currently pending for adjudication.
Management judgement is involved in evaluation of the likelihood of ultimate outcome of the tax and regulatory disputes and the probable amount of the provision to be recognised and contingent liabilities to be disclosed and is hence determined to be a key audit matter.

Other Information

- 5. The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditor’s report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

- 6. The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- 7. In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related

How our audit addressed the key audit matter
Based on the above procedures, we found the judgements made by the Management in recognising provisions and in determining and disclosing contingent liabilities in respect of the aforesaid tax and regulatory matters, to be reasonable.

to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company’s financial reporting process.

Auditor’s responsibilities for the audit of the financial statements

- 8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- 9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
 - a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - b. 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.
 - c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - d. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based

on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern. e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.	(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of changes in equity and the Statement of cash flows dealt with by this Report are in agreement with the books of account. (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act. (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act. (f) With respect to the maintenance of accounts and other matters connected therewith, we draw reference to our comment in paragraph 14(b) above. (g) 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 A”. (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us: i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Notes 19 and 32(b) to the financial statements. ii. The Company was not required to recognise a provision as at March 31, 2023, under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2023. iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year. iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, 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 person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate	Beneficiaries (Refer Note 44(vi) to the financial statements); (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 44(vii) to the financial statements); and (c) Based on such audit procedures that we 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 (a) and (b) contain any material misstatement.	v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act. vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable. 15. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
For Price Waterhouse & Co Chartered Accountants LLP Firm Registration Number: 304026E/E-300009 Place: Bengaluru Date: May 30, 2023 Prasanna Padar Mahabala Partner Membership Number: 206477 UDIN: 23206477BGXCKB6485			

Report on other legal and regulatory requirements

13. 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 B” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. 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, including the maintenance of backup of the books of account and other books and papers maintained in electronic mode on servers physically located in India, except that the backup has not been maintained on a daily basis for the period August 11, 2022 to March 31, 2023.

Annexure A to Independent Auditor’s Report

Referred to in paragraph 14(g) of the Independent Auditor’s Report of even date to the members of AstraZeneca Pharma India Limited on the financial statements as of and for the year ended March 31, 2023

Report on the Internal Financial Controls with reference to Financial Statements under Section 143(3)(i) of the Act

- 1. We have audited the internal financial controls with reference to financial statements of AstraZeneca Pharma India Limited (“the Company”) as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

- 2. The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

- 3. 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 deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 was established and maintained and if such controls operated effectively in all material respects.
- 4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

- 5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

- 6. 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 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 financial statements

- 7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

- 8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009

Place: Bengaluru
Date: May 30, 2023

Prasanna Padar Mahabala
Partner
Membership Number: 206477
UDIN: 23206477BGXCKB6485

Annexure B to Independent Auditor’s Report

Referred to in paragraph 13 of the Independent Auditor’s Report of even date to the members of AstraZeneca Pharma India Limited on the financial statements as of and for the year ended March 31, 2023

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, plant and equipment.
(B) According to the information and explanations given to us and the records of the Company examined by us, the Company does not have any Intangible assets and accordingly, reporting under this Clause is not applicable.
(b) The Property, plant and equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3 Property, plant and equipment to the financial statements, are held in the name of the Company.
(d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets). Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, plant and equipment (including Right-of-use assets) does not arise.
(e) Based on the information and explanations furnished to us, no proceedings have been initiated or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The physical verification of inventory [excluding stocks with third parties] has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
(b) During the year, the Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate from banks and financial institutions and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

- iii. (a) The Company has granted advances in nature of loans to the employees of the Company. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans are as per the table given below:

Particulars	Loans - given to employees (in ₹ million)
Aggregate amount granted during the year	11.6
Balance loan outstanding as at balance sheet date	9.6

- (b) In respect of the aforesaid advances in nature of the loan, the terms and conditions under which such loans were granted are not prejudicial to the Company’s interest.
- (c) In respect of the aforesaid advances in nature of loans, the schedule of repayment of principal has been stipulated, and the parties are repaying the principal amounts, as stipulated.
- (d) In respect of the aforesaid advances in nature of loans, there is no amount which is overdue for more than ninety days.
- (e) There were no loans/advances in nature of loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/advances in nature of loan.
- (f) There were no loans/advances in nature of loans which were granted during the year, including to promoters/ related parties.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including provident fund, goods and services tax, employees’ state insurance, income tax, service tax, duty of customs, value added tax and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 45 to the financial statements regarding management’s assessment on certain matters relating to provident fund.
(b) According to the information and explanations given to us and the records of the Company examined by us, there

are no statutory dues of provident fund, employees' state insurance which have not been deposited on account of any dispute. The particulars of other statutory dues referred to

in sub-clause (a) as at March 31, 2023, which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Gross demand (in ₹ million)	Amount paid under protest (in ₹ million)	Net amount (in ₹ million)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	5.1	5.1	-	2009-10	Assessing Officer of Income Tax
	Income Tax*	6.2	6.2	-	2010-11	Assessing Officer of Income Tax
	Income Tax**	224.1	224.1	-	2013-14	Assessing Officer of Income Tax
	Income Tax***	141.4	141.4	-	2014-15	Income Tax Appellate Tribunal
	Income Tax	156.1	-	156.1	2015-16	Income Tax Appellate Tribunal
	Income Tax	312.1	-	312.1	2016-17	Income Tax Appellate Tribunal
	Income Tax****	68.4	19.5	48.9	2017-18	Income Tax Appellate Tribunal
	Income Tax	23.2	-	23.2	2019-20	Commissioner of Income Tax (Appeals)
Punjab Value Added Tax Act, 2005	Value Added Tax (VAT)	1.8	0.2	1.6	2006-07	Honourable High Court of Punjab and Haryana
Customs Act, 1962	Custom duty	21.2	-	21.2	2005-06	Deputy Commissioner of Customs, Mumbai
The Finance Act, 1994	Service Tax	25.6	1.8	23.8	2006-07 to 2011-12	Central Excise and Service Tax Appellate Tribunal, Bangalore
	Service Tax	4.9	0.2	4.7	2012-13	Central Excise and Service Tax Appellate Tribunal, Bangalore
	Service Tax	3.4	1.5	1.9	2013-14 to 2015-16	Central Excise and Service Tax Appellate Tribunal, Bangalore
	Service Tax	1.5	0.1	1.4	April 2016 to June 2017	Commissioner of Central Excise (Appeals), Bangalore
	Service Tax	51.6	1.9	49.7	December 2012 to March 2016	Customs Excise and Service Tax Appellate Tribunal, Bangalore
Goods and Services Tax Act, 2017	Goods and Services Tax	51.7	2.1	49.6	2017-18	Joint Commissioner of State Tax (Appeals), Thane
	Goods and Services Tax	211.0	9.2	201.8	2018-19	Joint Commissioner of State Tax (Appeals), Thane
Bruhat Bangalore Mahanagara Palike (BBMP)	Improvement charges	70.8	-	70.8	2014	Honourable High Court of Karnataka

*The Department has adjusted ₹ 6.2 million against refund of other assessment years and this has been included under “amount paid under protest”.

**The Company has paid ₹ 40 million under protest and the department has adjusted ₹ 187.3 million against refund of other assessment years. The amount paid under protest has been restricted to the extent of gross demand.

***The Company has paid ₹ 24 million under protest and the department has adjusted ₹ 117.4 million against refund of other assessment years.

**** The Department has adjusted ₹ 19.5 million against refund of other assessment years and this has been included under “amount paid under protest”.

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short-term basis.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, the reporting under clauses 3(ix)(e) and 3(ix)(f) of the Order are not applicable to the Company.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x) (a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the

- Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 “Related Party Disclosures” specified under Section 133 of the Act.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is 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, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial/ housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 40 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the 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 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. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- xxi. According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, the reporting under clauses 3(xxi) of the Order are not applicable to the Company.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009

Place: Bengaluru
Date: May 30, 2023

Prasanna Padar Mahabala
Partner
Membership Number: 206477
UDIN: 23206477BGXCKB6485

Balance Sheet

(All amounts in ₹ million, except per share and share data)			
	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	628.1	670.8
Right-of-use assets	3	60.5	74.1
Capital work-in-progress	3	13.3	22.0
Financial assets			
Loans	4	8.8	4.1
Other financial assets	5	31.0	29.3
Current tax assets (net) (non-current)	6	515.7	515.7
Deferred tax assets (net)	7	206.7	163.0
Other non-current assets	8	29.9	29.9
Total non-current assets		1,494.0	1,508.9
Current assets			
Inventories	9	1,902.1	1,402.2
Financial assets			
Trade receivables	10	1,075.2	858.9
Cash and cash equivalents	11	5,003.4	4,484.2
Bank balances other than cash and cash equivalents	12	1.4	0.4
Loans	4	0.8	0.9
Other financial assets	5	105.7	122.7
Other current assets	8	266.1	187.4
Total current assets		8,354.7	7,056.7
Total assets		9,848.7	8,565.6
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	50.0	50.0
Other equity	14	5,836.9	5,063.9
Total equity		5,886.9	5,113.9
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	17	36.9	50.2
Provisions	19	85.6	75.0
Total non-current liabilities		122.5	125.2
Current liabilities			
Financial liabilities			
Lease liabilities	17	35.2	36.1
Trade payables			
Total outstanding dues of micro and small enterprises	15	66.2	7.9
Total outstanding dues of creditors other than micro and small enterprises	15	2,212.6	1,896.5
Other financial liabilities	16	303.7	440.6
Provisions	19	416.8	430.4
Current tax liabilities (net)	20	24.2	49.4
Other current liabilities	18	780.6	465.6
Total current liabilities		3,839.3	3,326.5
Total liabilities		3,961.8	3,451.7
Total equity and liabilities		9,848.7	8,565.6

The accompanying notes are an integral part of these Financial Statements.
This is the Balance Sheet referred to in our report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm registration number: 304026E/E-300009

Prasanna Padar Mahabala
Partner
Membership number: 206477

For and on behalf of the Board of Directors of
AstraZeneca Pharma India Limited

Narayan K. Seshadri
Chairman
DIN: 00053563
Place: Bengaluru
Date: May 30, 2023

Manasa Rama
Company Secretary
Place: Bengaluru
Date: May 30, 2023

Sanjeev Kumar Panchal
Managing Director
DIN: 09823879
Place: Bengaluru
Date: May 30, 2023

Rajesh Marwaha
Director & Chief
Financial Officer
DIN: 01458768
Place: Bengaluru
Date: May 30, 2023

Place: Bengaluru
Date: May 30, 2023

Statement of Profit and Loss

(All amounts in ₹ million, except per share and share data)			
	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	22	10,029.7	8,056.0
Other income	23	261.0	147.6
Total income		10,290.7	8,203.6
Expenses			
Cost of materials consumed	24	843.8	896.1
Purchase of Stock-in-Trade	25	3,244.6	2,078.8
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(488.6)	144.7
Employee benefit expense	27A	2,591.0	2,302.1
Depreciation	28B	162.6	169.5
Allowance for expected credit loss (net)	38 (ii) (a)	16.7	40.0
Other expenses	28A	2,171.0	1,732.5
Finance costs	29	6.3	9.5
Total expenses		8,547.4	7,373.2
Profit before exceptional items and tax		1,743.3	830.4
Less: Exceptional items	27B	402.3	-
Profit before tax		1,341.0	830.4
Tax expense			
Current tax	21	383.0	226.3
Deferred tax credit	21	(34.9)	(11.9)
Total tax expense		348.1	214.4
Profit for the year		992.9	616.0
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on post employment benefit			
Obligations	35 (iii)(C)(e)	(34.9)	(23.2)
Income tax effect	7	8.8	5.8
Other comprehensive income/(loss) for the year, net of tax		(26.1)	(17.4)
Total comprehensive income for the year		966.8	598.6
Earnings per equity share (equity shares, par value of ₹ 2 each)			
- Basic and diluted	30	39.7	24.6

The accompanying notes are an integral part of these Financial Statements.
This is the Statement of Profit and Loss referred to in our report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm registration number: 304026E/E-300009

Prasanna Padar Mahabala
Partner
Membership number: 206477

Place: Bengaluru
Date: May 30, 2023

For and on behalf of the Board of Directors of
AstraZeneca Pharma India Limited

Narayan K. Seshadri
Chairman
DIN: 00053563
Place: Bengaluru
Date: May 30, 2023

Manasa Rama
Company Secretary
Place: Bengaluru
Date: May 30, 2023

Sanjeev Kumar Panchal
Managing Director
DIN: 09823879
Place: Bengaluru
Date: May 30, 2023

Rajesh Marwaha
Director & Chief
Financial Officer
DIN: 01458768
Place: Bengaluru
Date: May 30, 2023

Statement of changes in equity

(All amounts in ₹ million, except per share and share data)

A. Equity Share Capital

Particulars	Amount
Equity shares of ₹ 2 each issued, subscribed and fully paid	
As at March 31, 2021	50.0
Changes in equity share capital	-
As at March 31, 2022	50.0
Changes in equity share capital	-
As at March 31, 2023	50.0

B. Other Equity

Particulars	Reserves and Surplus					Total Other equity
	Note	Capital Reserve	General Reserve	Employee share compensation reserve	Retained Earnings	
Balance as on March 31, 2021		723.5	531.3	15.9	3,241.0	4,511.7
Profit for the year		-	-	-	616.0	616.0
Other Comprehensive Income		-	-	-	(17.4)	(17.4)
Total Comprehensive Income for the year		-	-	-	598.6	598.6
Interim Dividend		-	-	-	(50.0)	(50.0)
Employee share compensation expense	27A	-	-	18.2	-	18.2
Recharge cost (including ₹ 13.2 to an overseas related party and ₹ 3.6 is a recharge to other related party pertaining to certain employees working for such group companies, which is netted off).	33	-	-	(14.6)	-	(14.6)
Balance as on March 31, 2022		723.5	531.3	19.5	3,789.6	5,063.9
Profit for the year		-	-	-	992.9	992.9
Other Comprehensive Income		-	-	-	(26.1)	(26.1)
Total Comprehensive Income for the year		-	-	-	966.8	966.8
Final Dividend		-	-	-	(200.0)	(200.0)
Employee share compensation expense	27A	-	-	23.7	-	23.7
Recharge cost (including ₹ 12.3 to an overseas related party and ₹ 5.0 is a recharge to other related party pertaining to certain employees working for such group companies, which is netted off).	33	-	-	(17.5)	-	(17.5)
Balance as on March 31, 2023		723.5	531.3	25.7	4,556.4	5,836.9

This is the Statement of changes in equity referred to in our report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm registration number: 304026E/E-300009

Prasanna Padar Mahabala
Partner
Membership number: 206477

For and on behalf of the Board of Directors of
AstraZeneca Pharma India Limited

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Director & Chief
Financial Officer
DIN: 01458768
Place: Bengaluru
Date: May 30, 2023

Place: Bengaluru
Date: May 30, 2023

Statement of cash flows

(All amounts in ₹ million, except per share and share data)

	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
A) Cash flow from operating activities			
Profit before tax		1,341.0	830.4
Non-cash adjustments for :			
Depreciation	28B	162.6	169.5
(Profit) on sale of property, plant and equipment (net)	23	(24.9)	(28.2)
Bad debts written off	28A	0.3	2.9
Interest income on deposits carried at amortised cost	23	(231.2)	(114.8)
Employee stock compensation expense	27A	23.7	18.2
Unrealised foreign exchange gain (net)		(1.5)	(0.5)
Allowance for expected credit loss (net)	38 (ii) (a)	16.7	40.0
Finance costs	29	6.3	9.5
Operating profit before working capital changes		1,293.0	927.0
Changes in working capital:			
(Increase)/Decrease in trade receivables		(231.7)	(49.0)
(Increase)/Decrease in inventories		(499.9)	195.8
(Increase)/Decrease in loans		(4.6)	1.9
(Increase)/Decrease in other financial assets		14.0	(52.0)
(Increase)/Decrease in other assets		(78.7)	(43.2)
Increase/(Decrease) in trade payables		374.4	120.5
Increase/(Decrease) in provisions		(37.8)	48.9
Increase/(Decrease) in other financial liabilities		(152.2)	(94.8)
Increase/(Decrease) in other liabilities		314.6	200.8
Cash generated from operations		991.1	1,255.9
Income taxes paid (net of refund)		(408.2)	(247.9)
Net cash generated from operating activities (A)		582.9	1,008.0
B) Cash flows from investing activities			
Interest income on bank deposits		231.5	111.1
Purchase of property, plant and equipment, including capital work-in-progress		(85.2)	(96.2)
Proceeds from sale of property, plant and equipment		34.8	32.5
Net cash generated from/(used in) investing activities (B)		181.1	47.4
C) Cash flows from financing activities			
Principal repayment of lease liabilities		(38.5)	(35.1)
Interest paid on lease liabilities	29	(6.3)	(9.5)
Final/Interim dividend paid		(200.0)	(50.0)
Net cash generated from/(used in) financing activities (C)		(244.8)	(94.6)
D) Net increase/(decrease) in cash and cash equivalents (A+B+C)		519.2	960.8
E) Cash and cash equivalents at the beginning of the year		4,484.2	3,523.4
F) Cash and cash equivalents at the end of the year		5,003.4	4,484.2
Non-cash financing and investing activities			
- Acquisition of right-of-use assets		24.3	-

Statement of cash flows

(All amounts in ₹ million, except per share and share data)

Components of cash and cash equivalents as at the end of the year	Note	As at March 31, 2023	As at March 31, 2022
Balance with banks :			
Current accounts	11	25.0	88.2
Demand deposits with original maturity of less than 3 months	11	4,978.4	4,396.0
Total cash and cash equivalents		5,003.4	4,484.2

Note: The Statement of Cash flows has been prepared under the “Indirect Method” as set out in Ind AS 7 on Statement of Cash Flows as notified under Companies (Accounts) Rules, 2015.

This is the Statement of Cash flows referred to in our report of even date

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm registration number: 304026E/E-300009

Prasanna Padar Mahabala
Partner
Membership number: 206477

For and on behalf of the Board of Directors of
AstraZeneca Pharma India Limited

Narayan K. Seshadri
Chairman
DIN: 00053563
Place: Bengaluru
Date: May 30, 2023

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Company Secretary
Place: Bengaluru
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Managing Director
DIN: 09823879
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Rajesh Marwaha
Director & Chief
Financial Officer
DIN: 01458768
Place: Bengaluru
Date: May 30, 2023

Place: Bengaluru
Date: May 30, 2023

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

1. General Information AstraZeneca Pharma India Limited (‘the Company’) is a public limited company domiciled in India having its registered office in Bangalore. The Company’s equity shares are listed on National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). The CIN of the Company is L24231KA1979PLC003563. The Company is engaged in the business of manufacture, distribution and marketing of pharmaceutical products and also provides clinical trial services to an overseas group company. 2. Summary of significant accounting policies This note provides a list of the significant accounting policies used in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. 2.1. Basis of preparation (a) Compliance with Ind AS The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the ‘Act’) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements for the year ended March 31, 2023 have been approved for issue by the Board of Directors of the Company in their meeting held on May 30, 2023. (b) Historical cost convention The financial statements have been prepared on a historical cost basis, except for the following - - certain financial assets and liabilities measured at fair value; - defined benefit plans- plan assets measured at fair value; and - share-based payments- measured at fair value. All assets and liabilities have been classified as current or non-current as per the Company’s operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets/ inputs for processing and their realisation of cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/ non-current classification of assets and liabilities. Amounts included in the financial statements are reported in millions of Indian rupees except share and per share data, as per the requirement of Schedule III, unless otherwise stated. The sign ‘0.0’ in the financial	statements indicates that the amounts involved are below ₹ one lac and the sign ‘-’ indicates that amounts are nil. (c) New and amended standards adopted The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 1, 2022. These amendments did not have any impact on the prior and current year and are not expected to have a material impact on the Company in future reporting periods and on foreseeable future transactions. (d) Standard issued but not yet effective The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the ‘Rules’) which amends certain accounting standards, and are effective April 1, 2023. The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments are not expected to have a material impact on the financial statements of the Company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company’s accounting policy already complies with the now mandatory treatment. 2.2. Critical judgements and estimates The preparation of financial statements in conformity with Ind AS requires that the management make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future years. In particular, information about areas of significant estimation uncertainty and critical judgments in applying accounting policies that have a significant effect on the amounts recognised in the financial statements are included below: a) Expected credit losses on financial assets: The impairment provisions on financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting inputs to be used in the impairment calculation, based on the Company’s past history, customers’ creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period. Refer note 38.
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Notes to the Financial Statements

b) **Direct and Indirect Taxes** - Provisions and contingent liabilities: The Company has disputed claims under direct and indirect tax laws. Management discloses amounts claimed by the tax authorities as either contingent liabilities or recognizes them as provisions, based on subject matter under dispute, management's experience with disputes of a similar nature and advice from tax experts. Recognition and disclosure of such disputed claims may vary subsequently. Refer notes 19, 20 and 32(b).

2.3. Property, plant and equipment

Freehold land is carried at historical cost.

All other items of Property, plant and equipment are stated at historical cost less depreciation, and impairment loss, if any. Historical cost comprises the purchase price including import duties and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management. Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

An item of Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognised in the Statement of Profit and Loss within 'Other income' or 'Other expenses'.

The cost of Property, plant and equipment which are not ready for their intended use, are presented as capital work-in-progress.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation

Depreciation is calculated using the straight-line method, from the date of capitalisation, to allocate the cost of Property, plant and equipment, net of their residual values, over the estimated useful lives of the assets. The estimate of useful lives have been determined based on a technical evaluation by management's expert, which are different from those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The depreciation charge for each period is recognised in the Statement of Profit and Loss.

The useful life and residual value are reviewed at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

The estimates of useful lives of property, plant and equipment are as follows:

Class of asset	Useful life in years
Buildings	6 to 20
Roads and culverts	10
Plant and machinery	5 to 10
Vehicles	5
Office equipment	2 to 10
Furniture and fixtures	10

2.4. Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets are reviewed for possible reversal of the impairment at the end of each reporting period.

2.5. Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are presented in Indian Rupee (₹) which is functional and presentation currency of the Company.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of transaction. Foreign exchange gains and losses arising from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in Statement of Profit and Loss.

2.6. Segment Reporting

The Company is engaged in the manufacture, distribution and marketing of pharmaceutical products and also provides clinical trials and marketing support services to an overseas group company. For internal reporting purposes management has organised the Company into a single reportable segment i.e. Healthcare segment.

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

2.7. Inventories

Inventories are stated at the lower of cost or net realisable value. The cost of finished goods, stock-in-trade and work-in-progress comprises cost of raw materials, direct labour, other direct costs and related production overheads (in case of manufactured finished goods and work-in-progress). Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of products. Cost of all categories of inventories have been determined using the moving weighted average cost method.

2.8. Employee Benefits

(a) Defined contribution plans

Provident Fund: Provident fund contributions for non-management staff are made to the regulatory authorities as per prescribed rules and regulations. The Company has no further obligations beyond the contributions made. Such benefits are classified as defined contribution plans. Such contributions to the Provident Fund Scheme are recognised in Statement of Profit and Loss when due.

Superannuation: The Company makes contributions for qualifying management employees to a Superannuation scheme, a defined contribution plan, based on a specified percentage of eligible employees' salary. The Company's obligation to the scheme is restricted to contributions made to the scheme, which are recognised in the Statement of Profit and Loss when due.

(b) Defined benefit plans

Provident Fund: In respect of management staff, the Company makes contributions to a trust administered by the Company. Trust invests in designated investments permitted by Law. The minimum rate at which the annual interest on contributions is payable to the beneficiaries by the trust is administered by the Government. The Company is obligated to make good the shortfall in statutory rate prescribed by the Government and rate of interest declared by the trust. The Company also has an obligation to fund any shortfall in the fair value of plan assets as compared with the defined benefit obligation.

The Company's obligation is actuarially determined at the end of every year using the projected unit credit method. Remeasurement gains and losses are recognised in the period in which they occur, directly in other comprehensive income (OCI). They are included in the retained earnings in the statement of changes in equity and in the Balance Sheet.

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan"). The Gratuity Plan provides for lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's last drawn salary and tenure of employment with the Company. The Company makes contributions towards gratuity into an approved gratuity fund administered by the Company and managed by an external fund manager. The contributions made to the trust are recognised as plan assets. The net defined benefit obligation, if any, recognised in the Balance Sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year. Remeasurement gains and losses including those arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income (OCI). They are included in the retained earnings in the statement of changes in equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised during the same period in the Statement of Profit and Loss as past service cost.

(c) Other long-term employee benefits

Compensated Absences: The employees of the Company are entitled to other long-term benefit in the form of compensated absences as per the policy of the Company. Employees are entitled to accumulate leave balance up to the upper limit as per the Company's policy which can be carried forward up to retirement/resignation. Leave encashment for a certain category of employees gets triggered on an annual basis, if the accumulated leave balance exceeds the threshold as defined in the Company's policy. At the time of retirement, death while in employment or on termination of employment, leave encashment vests equivalent to amount payable for number of days of accumulated leave balance as per the Company policy. Liability for such benefits is provided on the basis of actuarial valuation at the Balance Sheet date, carried out by an independent actuary using projected unit credit method. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

The obligation for compensated absences are presented under current liabilities in the Balance Sheet as the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

Long-term service awards : The employees of the Company are entitled to long term service awards as per the policy of the Company. Liability for such benefits is provided on the basis of actuarial valuation at the Balance Sheet date, carried out by an independent actuary using projected unit credit method. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

(d) Other short-term employee benefits

Other short-term employee benefits are expected to be paid in exchange for the services rendered by employees and are recognised in the year during which the employee rendered the services. These benefits are in the form of performance incentives and compensated absences.

(e) Other benefits

Termination Benefits: Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Termination benefits generally include post-retirement healthcare benefits provided to qualifying employees till the contractual retirement age. Such benefits falling due more than 12 months after the end of the reporting period are discounted to present value. The expected costs of the healthcare benefits are determined based on an actuarial valuation using the Projected Unit Credit (PUC) method.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Profit and Loss in the period in which they arise.

2.9. Employee share-based payments

Stock-based compensation cost is measured at fair value at the date when the grant is made to qualifying employees by AstraZeneca UK Limited, United Kingdom ('Ultimate holding company') using modified binomial model.

Expense arising from equity-settled share-based payment transactions are recognised over the vesting period as

employee benefits expense with a corresponding credit to employee share compensation reserve. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

The stock-based compensation cost is recharged to the Company upon exercise, which is adjusted against employee share compensation reserve.

2.10.Revenue from operations

Revenue is recognised when the control of goods has been transferred to the customer and it is certain that future economic benefits will flow to the entity and specific criteria have been met for each of the activities as described below.

Sale of products: Revenue from sale of products is recognised when the control of the goods has been transferred to the customer as per the terms of the contract, which coincides with the delivery/despatch of goods. Revenue is recognised net of trade discounts, volume discounts and Goods and Services Tax (GST) in the Statement of Profit and Loss.

Goods offered free of cost to customers as part of existing sales arrangement are considered as separate performance obligations. Revenue from sale of such free of cost products offered to customers is recognised when the control has been transferred to the customer which coincides with delivery/despatch of goods. Advance consideration received in this respect is classified as deferred revenue (Contract liability).

Sale of services: The Company derives its service income from clinical trials and marketing support services provided to an overseas group company. The income from clinical trials and marketing support services are based on a 'cost plus' model as agreed with the said group company. Revenue from services are recognised as and when services are rendered in accordance with the terms of arrangement with the group company.

2.11.Other Income

Interest income 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 proportionate basis, by applying the effective interest rate to the gross carrying amount of a financial asset, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of financial asset. Interest income is included under the head 'Other income' in the Statement of Profit and Loss.

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

2.12.Leases

As a lessee

Amounts of assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- a) fixed payments
- b) amount expected to be payable under residual value guarantees
- c) the exercise price of a purchase option if it is reasonably certain that the Company will exercise that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for Company, the lessee's incremental borrowing rate used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- a) where possible, uses recent third-party financing received by the lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- b) uses a build-up approach that starts with a risk free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and
- c) makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged in the Statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments are recognised in statement of profit and loss in the period in which the condition that triggers those payment occurs.

Right of use assets are measured at cost comprising the following:

- a) the amount of the initial measurement of lease liability
- b) any lease payments made at or before the commencement date,
- c) any initial direct costs, and
- d) restoration cost

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line

basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with Short-term leases and all leases of low value assets are recognised on a straight line basis as an expense in the Statement of Profit and Loss. Short-term leases are lease with a lease term of 12 months or less.

2.13.Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average numbers of shares outstanding during the year are adjusted for the effects of dilutive potential equity shares, if any.

2.14.Current and Deferred tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances for uncertain tax positions either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements as at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences except when they arise from initial recognition of goodwill. Deferred income tax is also not recognised if it arises from initial recognition of an asset or liability in a transaction other than business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable amounts will be available against which such deductible temporary differences, unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

longer probable that sufficient future taxable amounts will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable amounts will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred tax relating to items recognised outside the statement of profit and loss are recognised either in other comprehensive income or in equity, in correlation with the underlying transaction.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.15.Provisions and Contingent Liabilities

Provisions: Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.16.Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.17. Financial Instruments

Financial assets and liabilities are recognised when the company becomes a party to the contract that gives rise to financial assets and liabilities. Financial assets and 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 measured on initial recognition of financial asset or financial liability.

a) Financial Assets :

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset gives 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 a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset gives 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 profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in Statement of Profit and Loss.

De-recognition of financial asset and financial liabilities

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

Impairment of financial assets

The Company assesses at each Balance Sheet date whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected credit losses for all trade receivables using a provision matrix approach as permitted by Ind AS 109. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

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.

b) Financial Liabilities :

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to short maturity of these instruments.

2.18.Trade and other payables

The amounts represent liabilities for goods and services provided prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the credit period given by the vendors. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.19.Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.20.Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of reporting period.

2.21.Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

2.22.Exceptional items

When an item of income or expense within Statement of profit and loss from ordinary activity is of such size, nature and incidence that its disclosure is relevant to explain more meaningfully the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

2.23.Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interests. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset to its highest and best use or by selling it to another market participant that would use the asset to its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in note 37 to the financial statements.

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

3. Property, plant and equipment, right-of-use assets and capital work-in-progress

	Freehold Land	Buildings	Roads and culverts	Plant and machinery	Vehicles	Office equipment (*)	Furniture and fixtures	Total	Right-of-use Assets (Refer note 34)	Capital work-in-progress
Gross Carrying Amount										
As at March 31, 2021	4.9	383.4	10.6	649.1	7.8	255.3	110.7	1,421.8	176.0	44.0
Additions	-	31.8	-	41.3	-	35.8	0.3	109.2	-	54.9
Disposals/Reversal	-	-	-	15.0	-	3.4	0.3	18.7	-	-
Transfers	-	-	-	-	-	-	-	-	-	73.1
As at March 31, 2022	4.9	415.2	10.6	675.4	7.8	287.7	110.7	1,512.3	176.0	25.8
Additions	-	6.2	-	41.9	-	43.8	-	91.9	24.3	39.4
Disposals/Reversal	-	0.1	-	9.7	-	3.4	0.1	13.3	-	-
Transfers	-	-	-	-	-	-	-	-	-	48.1
As at March 31, 2023	4.9	421.3	10.6	707.6	7.8	328.1	110.6	1,590.9	200.3	17.1
Accumulated depreciation										
As at March 31, 2021	-	116.3	7.0	359.4	4.8	171.1	64.1	722.7	65.5	3.8
Depreciation charge	-	25.1	1.4	52.7	1.4	41.2	11.3	133.1	36.4	-
Disposals	-	-	-	11.3	-	3.0	-	14.3	-	-
As at March 31, 2022	-	141.4	8.4	400.8	6.2	209.3	75.4	841.5	101.9	3.8
Depreciation charge	-	25.9	1.4	42.4	1.1	42.9	11.0	124.7	37.9	-
Disposals	-	-	-	0.1	-	3.3	-	3.4	-	-
As at March 31, 2023	-	167.3	9.8	443.1	7.3	248.9	86.4	962.8	139.8	3.8
Net Carrying Amount										
As at March 31, 2022	4.9	273.8	2.2	274.6	1.6	78.4	35.3	670.8	74.1	22.0
As at March 31, 2023	4.9	254.0	0.8	264.5	0.5	79.2	24.2	628.1	60.5	13.3

* Includes IT equipment.
Note:
a. Capital commitments: Refer note 32(a) for capital commitments for the acquisition of property, plant and equipment.

Capital work-in-progress

(a) Ageing schedule

As at March 31, 2023	Amount in capital work-in-progress for				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	13.3	-	-	-	13.3
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2022	Amount in capital work-in-progress for				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	4.0	18.0	-	-	22.0
Projects temporarily suspended	-	-	-	-	-

(b) There are no capital work-in-progress during the year ended March 31, 2023 and year ended March 31, 2022 whose completion is overdue or has exceeded its cost compared to its original plan.

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(All amounts in ₹ million, except per share and share data)

4. Loans

	As at March 31, 2023	As at March 31, 2022
Non-current		
Loans to employees	8.8	4.1
	8.8	4.1
Current		
Loans to employees	0.8	0.9
	0.8	0.9
Break-up of security details for loans		
Loans receivables considered good - secured	-	-
Loans receivables considered good - unsecured	9.6	5.0
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - Credit impaired	-	-
Total	9.6	5.0
Less: Loss allowance	-	-
Total Loans receivables	9.6	5.0

5. Other financial assets

	As at March 31, 2023	As at March 31, 2022
Non-current		
Unsecured, considered good		
Security deposits	31.0	29.3
	31.0	29.3
Unsecured, considered doubtful		
Security deposits	4.6	10.5
Less: Loss allowance for doubtful deposits	(4.6)	(10.5)
	-	-
	31.0	29.3
Current		
Unsecured, considered good		
Security deposits	0.6	0.9
Interest accrued on deposits with banks	17.9	18.2
Receivable from related parties [Refer note 33(iv)]	87.2	103.6
	105.7	122.7

6. Current tax assets (net) (non-current)

	As at March 31, 2023	As at March 31, 2022
Advance tax [net of provision for income tax ₹ 774.1 (2022: ₹ 774.1)]	515.7	515.7
	515.7	515.7



Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

7. Deferred tax assets (net)

(a) The balance comprises temporary differences attributable to:

	As at March 31, 2023	As at March 31, 2022
Deferred tax assets		
Provision for employee benefits	98.4	90.9
Compensation towards voluntary retirement of employees	42.6	-
Other expenses allowance on payment for tax purposes	10.6	15.8
Provision for doubtful advances	7.1	8.7
Allowance for expected credit loss (net)	42.2	38.0
Lease Liability	18.1	21.7
Difference between tax base and carrying amounts of property, plant and equipment	3.0	6.6
Total deferred tax assets	222.0	181.7
Deferred tax liabilities		
Right-of-use assets	(15.3)	(18.7)
Net deferred tax assets	206.7	163.0

(b) Movement in the deferred tax assets/(liabilities) :

	As at March 31, 2022	(charge)/benefit to the Profit or Loss	(charge)/benefit to Other Comprehensive Income	As at March 31, 2023
Deferred tax assets				
Provision for employee benefits	90.9	(1.3)	8.8	98.4
Compensation towards voluntary retirement of employees	-	42.6	-	42.6
Other expenses allowance on payment for tax purposes	15.8	(5.2)	-	10.6
Provision for doubtful advances	8.7	(1.6)	-	7.1
Allowance for expected credit loss (net)	38.0	4.2	-	42.2
Lease Liability	21.7	(3.6)	-	18.1
Difference between tax base and carrying amounts of property, plant and equipment	6.6	(3.6)	-	3.0
	181.7	31.5	8.8	222.0
Deferred tax liabilities				
Right-of-use assets	(18.7)	3.4	-	(15.3)
	(18.7)	3.4	-	(15.3)
Net deferred tax assets	163.0	34.9	8.8	206.7

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

(b) Movement in deferred tax assets/(liabilities):

	As at March 31, 2021	(charge)/benefit to the Profit or Loss	(charge)/benefit to Other Comprehensive Income	As at March 31, 2022
Deferred tax assets				
Provision for employee benefits	83.3	1.8	5.8	90.9
Other expenses allowance on payment for tax purposes	13.3	2.5	-	15.8
Provision for doubtful advances	8.7	-	-	8.7
Allowance for expected credit loss (net)	27.9	10.1	-	38.0
Lease Liability	30.5	(8.8)	-	21.7
Difference between tax base and carrying amounts of property, plant and equipment	9.4	(2.8)	-	6.6
	173.1	2.8	5.8	181.7
Deferred tax liabilities				
Right-of-use assets	(27.8)	9.1	-	(18.7)
	(27.8)	9.1	-	(18.7)
Net deferred tax assets	145.3	11.9	5.8	163.0

The tax impact for the above purpose has been arrived at by applying the tax rate of 25.17 % (2022 - 25.17%) being the prevailing tax rate under the Income Tax Act, 1961.

8. Other assets

	As at March 31, 2023	As at March 31, 2022
Non-current		
Unsecured, considered good		
Capital advances	0.0	0.0
Balances with Government Authorities	29.9	29.9
	29.9	29.9
Unsecured, considered doubtful		
Advances to suppliers	-	0.6
Less: Provision for doubtful advances	-	(0.6)
	-	-
Current		
Unsecured, considered good		
Balances with Government Authorities	141.9	66.5
Advances to suppliers	4.5	11.0
Prepaid expenses	117.7	108.2
Employee advances	2.0	1.7
	266.1	187.4
Unsecured, considered doubtful		
Balances with Government Authorities	35.3	35.3
Less: Provision for doubtful balances	(35.3)	(35.3)
	-	-
	266.1	187.4

#0.0 represents amounts below rounding off norms adopted by the Company.

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

9. Inventories

	As at March 31, 2023	As at March 31, 2022
Raw materials [includes in transit : ₹ 17.9 (2022: ₹ 14.9)] [Refer note (a) below]	167.1	152.8
Packing materials [Refer note (b) below]	15.1	17.6
Work-in-progress [Refer note (c) below]	16.7	30.6
Finished goods [Refer note (d) below]	372.1	385.3
Stock-in-trade [includes in transit : ₹ 185.9 (2022: ₹ 33.8)] [Refer note (e) below]	1,313.9	798.2
Stores and spares	17.2	17.7
	1,902.1	1,402.2

Notes:

- (a) Net of provision for raw materials amounting to ₹ 8.1 (2022: ₹ 6.8)
- (b) Net of provision for packing materials amounting to ₹ 1.1 (2022: ₹ 0.3)
- (c) Net of provision for work-in-progress amounting to ₹ 0.8 (2022: ₹ Nil)
- (d) Net of provision for finished goods amounting to ₹ 1.2 (2022: ₹ 1.8)
- (e) Net of provision for stock-in-trade amounting to ₹ 5.1 (2022: ₹ 14.8)

10. Trade receivables

	As at March 31, 2023	As at March 31, 2022
Current		
Trade receivables considered good- secured	-	-
Trade receivables considered good- unsecured		
Related parties [Refer note 33(iv)]	215.5	151.1
Others	1,027.3	858.7
	1,242.8	1,009.8
Less: Allowance for expected credit loss (net) [Refer note 38(ii)(a)]	(167.6)	(150.9)
Trade receivables which have significant increase in credit risk	-	-
Trade receivables- credit impaired	-	-
	1,075.2	858.9

Trade Receivable ageing schedule

As at March 31, 2023	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,069.0	77.4	9.1	42.6	35.4	9.3	1,242.8
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

Trade Receivable ageing schedule

As at March 31, 2022	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables –considered good	689.4	218.9	34.5	41.1	25.2	0.7	1,009.8
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

11. Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Balances with banks		
Current accounts	25.0	88.2
Demand deposits with original maturity of less than 3 months	4,978.4	4,396.0
	5,003.4	4,484.2

12. Bank balances other than cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Unclaimed dividend accounts	1.4	0.4
	1.4	0.4

13. Equity share capital

Authorised equity share capital	As at March 31, 2023	As at March 31, 2022
Equity share capital of ₹ 2 each		
25,000,000 (2022: 25,000,000) equity shares	50.0	50.0

(a) Issued equity share capital

	As at March 31, 2023	As at March 31, 2022
Equity shares of ₹ 2 each issued, subscribed and fully paid		
25,000,000 (2022: 25,000,000) equity shares	50.0	50.0

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
At the commencement of the year	25,000,000	50.0	25,000,000	50.0
Add: shares issued	-	-	-	-
Outstanding at the end of the year	25,000,000	50.0	25,000,000	50.0

(b) Terms and rights attached to equity shares

The Company has one class of equity shares having a par value of ₹2 per share. Each shareholder is eligible for one vote per share held. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% holding	Number of shares	% holding
Equity shares of ₹ 2 each fully paid				
AstraZeneca Pharmaceuticals AB, Sweden (Holding Company)	18,750,000	75.0%	18,750,000	75.0%
Tejas B. Trivedi, Minaxi B. Trivedi and Shivani T. Trivedi*	1,737,038	6.9%	1,644,779	6.6%

*Being 'persons acting in concert' under Regulation 29(1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 2011.

(d) Shares held by holding/ultimate holding company

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% holding	Number of shares	% holding
AstraZeneca Pharmaceuticals AB, Sweden (Holding Company)	18,750,000	75%	18,750,000	75%

(e) The Company has not allotted any fully paid-up equity shares by way of bonus shares, or pursuant to a contract without payment being received in cash or bought back equity shares during the period of five years immediately preceding the Balance Sheet date.

(f) Details of shareholding of promoters at the end of the year:

Particulars	As at March 31, 2023	As at March 31, 2022
Promoter name	AstraZeneca Pharmaceuticals AB, Sweden (Holding Company)	AstraZeneca Pharmaceuticals AB, Sweden (Holding Company)
No. of Shares	18,750,000	18,750,000
% of total shares	75%	75%
% Change during the year	0%	0%

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

14. Other equity

	As at March 31, 2023	As at March 31, 2022
Capital reserve	723.5	723.5
General reserve	531.3	531.3
Employee share compensation reserve	25.7	19.5
Retained earnings	4,556.4	3,789.6
	5,836.9	5,063.9

For movement in other equity, also refer Statement of changes in equity.

Nature and purpose of reserves:

(i) Capital reserve

Capital reserve represents voluntary non-repayable grant from AstraZeneca Pharmaceutical AB, Sweden to the Company during FY 2013-14. Consequent to subvention agreement ('the agreement') dated May 7, 2013 between the Company and AstraZeneca Pharmaceutical AB ('the Promoter Company'), the promoter company had provided a voluntary non-repayable financial grant in order to assist the Company in its efforts to establish presence and grow in the Indian market.

(ii) General reserve

General reserve represents appropriation of profits from retained earnings.

(iii) Employee share compensation reserve

The employee share compensation reserve is used to recognise the grant date fair value of restricted stock units issued to employees under ultimate holding company's long-term incentive stock compensation plan.

(iv) Retained earnings

Retained earnings comprises prior and current year's undistributed earnings after tax.

15. Trade payables

	As at March 31, 2023	As at March 31, 2022
Current		
Micro and small enterprises (Refer note 42)	66.2	7.9
Related parties [Refer note 33(iv)]	629.2	406.5
Others	1,583.4	1,490.0
	2,278.8	1,904.4

Trade Payables ageing schedule

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2023					
(i) Undisputed dues - Micro and small enterprises	66.2	-	-	-	66.2
(ii) Undisputed dues - Others	2,080.3	28.4	35.0	68.9	2,212.6
(iii) Disputed dues - Micro and small enterprises	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

Trade Payables ageing schedule

As at March 31, 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - Micro and small enterprises	7.9	-	-	-	7.9
(ii) Undisputed dues - Others	1,648.9	34.3	36.9	176.4	1,896.5
(iii) Disputed dues - Micro and small enterprises	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Note: Ageing has been determined based on transaction date.

16. Other financial liabilities

	As at March 31, 2023	As at March 31, 2022
Current		
Capital creditors	4.1	6.2
Payable to employees	258.4	381.8
Unclaimed dividends [Refer note below]	1.4	0.4
Other payables	39.8	52.2
	303.7	440.6

Note:

There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of The Companies Act, 2013 as at the year end.

17. Lease liabilities

	As at March 31, 2023	As at March 31, 2022
Non-current (Refer note 34)		
Lease liability	36.9	50.2
	36.9	50.2
Current (Refer note 34)		
Lease liability	35.2	36.1
	35.2	36.1
Net debt reconciliation	As at March 31, 2023	As at March 31, 2022
Non-current lease liability	36.9	50.2
Current lease liability	35.2	36.1
Total net debt	72.1	86.3
Net debt as at March 31, 2021		(121.4)
Repayment of interest and principal		44.6
Interest cost on lease liabilities		(9.5)
Leases acquired during the year		-
Net debt as at March 31, 2022		(86.3)
Repayment of interest and principal		44.8
Interest cost on lease liabilities		(6.3)
Leases acquired during the year		(24.3)
Net debt as at March 31, 2023		(72.1)

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

18. Other liabilities

	As at March 31, 2023	As at March 31, 2022
Current		
Statutory liabilities	332.5	115.1
Refund liabilities for expected sales returns [Refer note below]	46.4	38.5
Deferred revenue	398.0	306.9
Advance from customers	3.7	5.1
	780.6	465.6

Note:

The amount is estimated on the basis of past experience of the pattern of sales returns. The Company has not recognised asset for 'right to recover returned goods' under 'Other current assets' as it estimates the value of the returned inventory to be NIL.

19. Provisions

	As at March 31, 2023	As at March 31, 2022
Non-current		
Provision for employee benefits		
Provision for provident fund [Refer note 35(iii)(C)(f)]	69.0	48.2
Provision for long term service awards	12.4	22.1
Provision for termination benefits	4.2	4.7
	85.6	75.0
Current		
Provision for employee benefits		
Provision for gratuity [Refer note 35(iii)(C)(f)]	13.8	23.6
Provision for provident fund [Refer note 35(iii)(C)(f)]	6.3	5.4
Provision for compensated absences	236.4	253.1
Provision for long term service awards	3.7	4.8
Provision for termination benefits	1.2	1.5
	261.4	288.4
Others		
Provision for indirect tax matters [Refer note (a)]	42.5	42.5
Provision for other obligations [Refer note (b) and (c)]	112.9	99.5
	155.4	142.0
	416.8	430.4
Movement of other provisions:	Indirect tax matters	Other obligations
Balance as on March 31, 2021	42.5	99.5
Provisions during the year	-	-
Amount written back during the year upon settlement of cases	-	-
Balance as on March 31, 2022	42.5	99.5
Provisions during the year	-	13.4
Amount written back during the year upon settlement of cases	-	-
Balance as on March 31, 2023	42.5	112.9

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

Notes:

(a)

Provision for indirect tax matters is created in respect of likely adverse outcome of indirect tax cases pending against the Company.

(b)

The Company had received a notice from Bruhat Bangalore Mahanagara Palike (BBMP) on August 7, 2014, followed by reminder notices, demanding ₹ 70.8 (2022: ₹ 70.8) as improvement charges for its factory land. The Company filed a writ petition with the Honourable High Court of Karnataka ('Court') challenging the levy of aforesaid improvement charges. The Court had granted an interim order of stay on said demand notice. The Company's writ petition remains pending in the Court.

(c)

Provision for other obligation includes ₹ 42.1 (2022: ₹ 28.7) pertaining to demand from National Pharmaceutical Pricing Authority ('NPPA') alleging overcharging for certain drugs. The Company's representation on the said matter is pending with NPPA.

Management as a prudent accounting practice has provided in respect of aforesaid matters. These provisions are based on management's estimate of probable outflow on account of settlement after considering advice obtained from external consultants or legal advisors, where considered necessary. The Company intends to pursue the necessary legal recourse, if required, in these matters. Management cannot estimate with certainty the timing of the final outcome.

20. Current tax liabilities (net)

	As at March 31, 2023	As at March 31, 2022
Current tax liabilities [net of advance tax ₹ 1,004.7 (2022: ₹ 596.5)]	24.2	49.4
	24.2	49.4

21. Income tax

(i) The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

Income tax expense	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax	383.0	226.3
Total Current tax	383.0	226.3
Deferred tax		
Decrease/(Increase) in deferred tax assets	(31.5)	(2.8)
(Decrease)/Increase in deferred tax liabilities	(3.4)	(9.1)
Total deferred tax (benefit)/charge	(34.9)	(11.9)
Income tax expense	348.1	214.4

Tax recognized in Other Comprehensive Income (OCI)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Deferred tax related to items recognised in OCI during the year:		
Remeasurement of defined benefit plans	(8.8)	(5.8)
Income tax charged/(credited) to OCI	(8.8)	(5.8)

(ii) Effective tax reconciliation

	As at March 31, 2023	As at March 31, 2022
Profit before tax	1,341.0	830.4
Enacted tax rate in India (%)	25.17%	25.17%
Expected tax expense (computed)	337.5	209.0
Add/(Less): Reconciling items:		
Expenses disallowed for tax purposes	10.6	5.4
Income tax expense	348.1	214.4

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

22. Revenue from operations

	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from contracts with customers		
Sale of pharmaceutical products		
Finished goods	3,273.1	3,087.6
Traded goods	6,144.4	4,526.6
Sale of services to related parties [Refer note 33(ii)]	612.2	441.8
	10,029.7	8,056.0

23. Other income

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income		
Interest income on deposits carried at amortised cost	231.2	114.8
Other income		
Profit on sale of property, plant and equipment (net)	24.9	28.2
Net gain on account of foreign exchange fluctuations	2.8	-
Miscellaneous income	2.1	4.6
	261.0	147.6

24. Cost of materials consumed

	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw materials consumed	796.2	829.3
Packing materials consumed	47.6	66.8
	843.8	896.1

25. Purchase of Stock-in-Trade

	For the year ended March 31, 2023	For the year ended March 31, 2022
Stock-in-Trade purchased	3,244.6	2,078.8
	3,244.6	2,078.8

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

26. Changes in inventories of finished goods, work-in-progress and stock-in-trade

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the beginning of the year		
Finished goods	385.3	326.4
Work-in-progress	30.6	37.4
Traded goods	798.2	995.0
A	1,214.1	1,358.8
Inventories at the end of the year		
Finished goods	372.1	385.3
Work-in-progress	16.7	30.6
Traded goods	1,313.9	798.2
B	1,702.7	1,214.1
Changes in inventories (A-B)	(488.6)	144.7

27A. Employee benefit expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, bonus and allowances	2,252.3	1,992.1
Gratuity [Refer note 35(iii)(C)(d)]	47.8	46.7
Contribution to provident and other funds [Refer note 35(i) and 35(iii)(C)(d)]	109.1	114.8
Employee stock compensation expense [Refer note (a) below]	23.7	18.2
Staff welfare expenses	158.1	130.3
	2,591.0	2,302.1

- Notes:**
- (a) Represents charge in respect of Restricted Stock Units issued by AstraZeneca Plc, United Kingdom “the ultimate holding company” to the qualifying employees of the Company [Refer note 36].
- (b) Employee benefit expenses shown above is net of reimbursable expenses recovered from related parties under appropriate line items [Refer note 33].

27B. Exceptional items:

During the year ended March 31, 2023, the Company has announced Voluntary Retirement Scheme (VRS) and has incurred an expense amounting to ₹ 211.3 (2022: Nil). The Company has also incurred separation cost amounting to ₹ 191.0 (2022: Nil). The aforesaid VRS expenses and separation cost aggregating to ₹ 402.3 (2022: Nil) is disclosed as exceptional items.

28A. Other expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
Selling, marketing and distribution	597.4	507.2
Travel and conveyance	243.8	100.3
Legal and professional [Refer note (b) below]	239.6	220.5
Clinical trials	591.6	391.9
Power and fuel	55.4	81.0
Rent [Refer note 34]	-	0.4
Carriage outwards	64.8	62.7

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Repairs and maintenance		
- Buildings	9.5	7.4
- Plant and machinery	40.4	33.7
- Others	10.1	8.3
Rates and taxes	23.5	19.7
Remuneration to clearing and forwarding agents	53.5	51.0
Consumption of stores and spare parts	24.4	31.1
Communication expenses	30.2	32.5
Insurance	29.5	27.0
Bad debts written off	0.3	2.9
Net loss on foreign currency transactions	-	1.3
Expenditure towards Corporate Social Responsibility (CSR) activities (Refer note 41)	21.3	20.7
Royalty	36.8	32.0
Miscellaneous expenses	98.9	100.9
	2,171.0	1,732.5

- Notes:**
- (a) Other expenses shown above are net of reimbursable expenses recovered from related parties under appropriate line items (Refer note 33).
- (b) **Payments to auditors (*):**

	For the year ended March 31, 2023	For the year ended March 31, 2022
As auditor		
Audit fees	4.5	4.5
Tax audit fees	0.4	0.4
Reimbursement of out of pocket expenses	0.8	0.8
	5.7	5.7

(*) Excludes GST

28B. Depreciation

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment	124.7	133.1
Depreciation on right of use assets	37.9	36.4
	162.6	169.5

29. Finance costs

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest cost on lease liabilities (Refer note 34)	6.3	9.5
	6.3	9.5

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

30. Earnings per share

	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit after tax	992.9	616.0
Weighted average number of equity shares outstanding during the year considered for basic and diluted EPS	25,000,000	25,000,000
Basic and diluted earnings per share	39.7	24.6

31. Segment reporting

The Company is engaged in the business of manufacture, distribution and marketing of pharmaceutical products and provides clinical trial services to an overseas group company. Chief Operating Decision Maker (CODM) reviews the Company level data for resource allocation and assessment of the Company’s performance. As the Company’s activities fall within a single business segment, separate segment wise disclosures are not applicable. The additional disclosures as required by IND AS 108 are as below:

(a) Revenue from major products and services

The following is an analysis of the Company’s revenue from major products and services:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from external customers		
Sale of pharmaceutical products		
- Tablets	7,542.9	6,490.9
- Injectables	1,673.6	937.3
- Inhalation	201.0	186.0
Revenue from related parties		
Sale of services to related parties- Clinical trials [Refer note 33(ii)]	612.2	441.8
	10,029.7	8,056.0

(b) Geographic information

Revenues generated from operations are from sales to customers both within and outside of India. Details of the same are stated below. The information below is based on the location of the customers.

	For the year ended March 31, 2023	For the year ended March 31, 2022
India	9,389.2	7,591.7
Outside India	640.5	464.3
	10,029.7	8,056.0

(c) Information about major customers

There are no customers with whom company earns revenue of more than 10% in the current year and previous year.

(d) Location of non-current assets

Non-current operating assets including property, plant and equipment and capital work-in-progress are all located in India.

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

32. Commitments and contingencies

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Commitments		
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	6.6	18.6
(b) Contingent liabilities		
Claims against the company not acknowledged as debts		
(i) Taxation matters		
Particulars	As at March 31, 2023	As at March 31, 2022
Indirect tax matters*	371.1	350.7
Income tax matters#	931.4	863.0

***Indirect tax matters:**
The matters are related to demands (including interest and penalties, where applicable) raised by the Indirect tax authorities related to service tax and goods and services tax (GST) for earlier financial years.
The demands relating to service tax have been raised on expenses incurred in foreign currency, reimbursements from overseas group companies, recovery of notice period pay from former employees and ineligible input tax credit claimed on certain expenses. The GST demand pertains to certain category of medicines supplied by the Company. The Company has filed appeals before the relevant authorities against the above demands, which are pending for adjudication.
The Company believes that it has a strong case on merits to contest the aforesaid demands and that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.
#Income Tax:
These matters are related to demands (including interest, where applicable) raised during the current year and in earlier years by the Income tax authorities in respect of transfer pricing adjustments on transactions with overseas group companies, disallowance of certain expenses incurred, taxability of subvention receipt and certain expense reimbursements and certain other disallowances. These adjustments are largely of a repetitive nature across multiple assessment years. The Company has filed appeals against these demands with various appellate forums, which are currently pending for adjudication.
The Company believes that its position on the aforesaid demands will likely be upheld in the appellate process and accordingly no provision has been made in the financial statements for such demands.

(ii) During the year ended March 31, 2022, the Company had received a demand notice for an amount of ₹1,573.9 million (and interest thereupon) under Trade Margin Rationalisation notification (“TMR notification”) from NPPA alleging overcharging of a patented anti-cancer drug sold during the period of March 8, 2019 to January 31, 2021. The said drug has been included with certain other anti-cancer medicines, on which trade margin caps are applicable under TMR notification. Based on evaluation, Management is of the view that the TMR notification is not applicable to the aforesaid patented drug and all applicable laws relating to the pricing of the product have been complied with. The Company has filed a Writ Petition before the High Court of Delhi challenging the NPPA’s demand notice and the matter is pending adjudication. Based on assessment, supported by external legal advice, Management has concluded that it has a strong case and the Company can defend its position. Accordingly, no provision has been made in these financial statements.

Note: It is not practical for the Company to estimate the timing of cash outflows, if any, in respect of the above matters, pending resolution of respective proceedings. The Company does not expect any reimbursement in respect of above matters.

(c) Guarantee

Particulars	As at March 31, 2023	As at March 31, 2022
Bank guarantee issued to National Highways Authority of India	13.7	13.7



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(All amounts in ₹ million, except per share and share data)

33. Related party disclosures

(i) Names of related parties and related party relationship

(a) Related parties where control exists and/or where transactions have occurred:

Name of the entity	Name of relationship
Holding Company	AstraZeneca Pharmaceuticals AB, Sweden
Holding Company of AstraZeneca Pharmaceuticals AB, Sweden	AstraZeneca AB, Sweden
Holding Company of AstraZeneca AB, Sweden	AstraZeneca Treasury Limited, United Kingdom
Holding Company of AstraZeneca Treasury Limited, United Kingdom	AstraZeneca UK Limited, United Kingdom
Holding Company of AstraZeneca UK Limited, United Kingdom	AstraZeneca Intermediate Holdings Ltd
Ultimate Holding Company	AstraZeneca Plc, United Kingdom
Fellow subsidiaries with whom the Company had transactions during the year or in the previous year	AstraZeneca Singapore Pte Ltd, Singapore
	AstraZeneca Pharmaceuticals LP, USA
	P.T. AstraZeneca Indonesia, Indonesia
	AstraZeneca Pty Ltd, Australia
	AstraZeneca SDN Bhd, Malaysia
	AstraZeneca India Private Limited, India
	AstraZeneca Canada Inc., Canada
	AstraZeneca Pharmaceuticals (Phils.) Inc., Philippines
	AstraZeneca Pharma Poland Sp.z.o.o, Poland
	AstraZeneca Pharmaceuticals (Pty) Limited, South Africa
	AstraZeneca FZ LLC, Dubai
Employees' Benefit Plans	AstraZeneca Pharma India Limited Employees Gratuity Fund Trust
	AstraZeneca Pharma India Limited Management Staff Provident Fund Trust
	AstraZeneca Pharma India Limited Management Staff Superannuation Fund Trust
(b) Key Management Personnel	
Managing Director	Mr. Sanjeev Kumar Panchal (w.e.f. January 1, 2023)*
	Mr. Gagandeep Singh Bedi (upto December 31, 2022)
Director and Chief Financial Officer	Mr. Rajesh Marwaha
Non-Executive Directors	Ms. Weiying Sarah Wang
	Mr. Ankush Nandra
(c) Independent Directors	Mr. Narayan K. Seshadri
	Ms. Revathy Ashok
	Ms. Shilpa Sridhar Divekar

*Mr. Sanjeev Kumar Panchal was appointed as Managing Director effective from January 1, 2023. The Company is in the process of filing the necessary application with the Central Government for approval.

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

(ii) Details of the transactions with the related parties during the year ended :

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchase of raw materials and stock-in-trade		
AstraZeneca UK Limited, United Kingdom	3,020.5	2,225.0
AstraZeneca AB, Sweden	520.1	209.7
Payment towards reimbursement of expenses		
AstraZeneca UK Limited, United Kingdom	7.2	-
AstraZeneca Pty Ltd, Australia	12.9	14.6
AstraZeneca Pharma Poland Sp.z.o.o, Poland	-	1.5
Payment towards employee stock compensation expense, net of withholding tax		
AstraZeneca UK Limited, United Kingdom	12.3	13.2
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of services		
AstraZeneca AB, Sweden [Refer notes 22 and 31(a)]	612.2	441.8
Recovery of reimbursable expenses		
AstraZeneca UK Limited, United Kingdom	149.2	122.8
AstraZeneca Pharmaceuticals LP, USA	22.5	19.6
AstraZeneca SDN Bhd, Malaysia	14.9	11.9
AstraZeneca Pharmaceuticals (Pty) Limited, South Africa	9.4	-
AstraZeneca FZ LLC, Dubai	13.8	-
AstraZeneca Singapore Pte Ltd, Singapore	8.0	34.6
AstraZeneca Pharmaceuticals (Phils) Inc, Philippines	3.7	5.5
P.T. AstraZeneca Indonesia	2.0	5.5
AstraZeneca India Private Limited, India	0.7	0.7
AstraZeneca Canada Inc., Canada	-	1.1
Contribution to Trusts		
AstraZeneca Pharma India Limited Employees Gratuity Fund Trust [Refer note 35(iii)(C)(b)]	65.0	20.0
AstraZeneca Pharma India Limited Management Staff Provident Fund Trust [Refer note 35(iii)(C)(b)]	74.2	88.6
AstraZeneca Pharma India Limited Management Staff Superannuation Fund Trust [Refer note 35(i)]	10.8	12.2

(iii) (a) Transactions with Key Management Personnel

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salary and perquisites		
Short-term employee benefits	91.0	62.6
Long-term employee benefits	15.3	10.9
Post employment benefits	38.3	21.1
Employee share compensation expenses	5.7	5.6
	150.3	100.2

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

(iii) (b) Transactions with Independent Directors

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sitting fees paid to independent directors	3.9	3.4

(iv) Details of balances receivable from and payable to related parties are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Other current financial assets (Refer note 5)	87.2	103.6
AstraZeneca AB, Sweden	-	50.2
AstraZeneca UK Limited, United Kingdom	53.0	34.3
AstraZeneca FZ LLC, Dubai	13.8	-
AstraZeneca SDN Bhd, Malaysia	5.8	4.4
AstraZeneca Pharmaceuticals LP, USA	2.6	6.2
AstraZeneca Singapore Pte Ltd, Singapore	2.2	7.2
AstraZeneca Pharmaceuticals (Pty) Limited, South Africa	9.4	-
AstraZeneca Pharmaceuticals (Phils) Inc, Philippines	0.4	1.3
Trade receivables (Refer note 10)	215.5	151.1
AstraZeneca AB, Sweden	215.5	151.1
Trade payables (Refer note 15)	629.2	406.5
AstraZeneca UK Limited, United Kingdom	574.8	362.8
AstraZeneca AB, Sweden	50.0	39.6
AstraZeneca Pty Ltd, Australia	4.4	4.1

34. Leases

The Company has entered into leasing arrangements for office premises and depots which are for a period ranging between 11 months and 10 years. All leases are cancellable at the option of the lessee.

(i) Amounts recognised in balance sheet

	As at March 31, 2023	As at March 31, 2022
Right-of-use assets (Refer note 3)		
Building	60.5	74.1
	60.5	74.1
Lease liabilities (Refer note 17)		
Current	35.2	36.1
Non-current	36.9	50.2
	72.1	86.3
Additions to Right-of-use asset during the financial year	24.3	-

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

(ii) Amount recognised in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases:

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation charge of right-of-use assets			
Building	3	37.9	36.4
Interest expense on lease liabilities	29	6.3	9.5
Expenses relating to lease of low value assets (included as 'rent' in other expenses)	28A	-	0.4
Expenses relating to variable lease payments		-	-
Total cash outflow for leases		44.8	44.6
(excluding payments relating to short-term and low value leases)			

Extension and termination options

Extension and termination options are included in various leasing arrangements for buildings. These are used to maximise operational flexibility in terms of managing assets used in the operations. All the extension and termination options are exercisable only by the Company.

The Company has not provided any residual value guarantees in any of the leasing arrangements.

35. Employee benefits

(i) Defined contribution plans (Refer note 27A)

The Company contributes to defined contribution plans such as provident fund, superannuation and other funds as mentioned below as required by statute or Company policy.

In respect of such contributions, the Company has recognised the following amounts in the Statement of Profit and Loss:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Provident fund	28.4	32.4
Superannuation fund	10.8	12.2
Others	1.5	1.4
	40.7	46.0

(ii) Compensated absence

The leave obligation covers the Company's liability for earned leave and sick leave granted to the employees. This is an unfunded scheme.

The amount of the provision of ₹ 236.4 (2022: ₹ 253.1) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment within the next 12 months. The non-current portion of provision, included in the total provision for compensated absences is ₹195.8 (2022: ₹ 214.4) as per actuarial report.

	For the year ended March 31, 2023	For the year ended March 31, 2022
Compensated absence recorded in the Statement of Profit and Loss	16.6	8.6
Significant assumptions used in estimating obligation for Compensated absence:		
Discount rate	7.2%	6.6%
Salary increase rate	10.00%	10.0%

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Sensitivity analysis for significant assumptions:		
Discount rate		
1% Increase	(11.2)	(12.6)
1% Decrease	12.4	14.0
Salary increase rate		
1% Increase	11.4	12.8
1% Decrease	(9.5)	(10.7)

(iii) Post employment defined benefit plans

(A) Gratuity

Benefits payable for employees who have joined before August 1, 2014:

Employees who are in continuous service for a period of 3 years are eligible for gratuity benefit as per the terms of the Trust Deed. Terms of the benefit are as below:

Payable on voluntary exit/termination:

For Management Staff:

Completed years of service (years)	Number of days eligible for every completed year of service
3 to 9	15 days salary for every year of service subject to the maximum limit as per The Payment of Gratuity (Amendment) Act, 2018.
10 to 14	3/4th of month's salary for every year of service, without limit.
15 and above	One month's salary for every year of service, without limit.

For Non-Management staff: 15 days salary for each year of service, subject to maximum limit specified as per The Payment of Gratuity (Amendment) Act, 2018.

Payable on retirement, death or disability:

For Management staff: One month's salary last drawn by member for each year of service, without limit.

For Non-Management staff: One month's salary last drawn by member for each year of service, subject to maximum limit specified as per The Payment of Gratuity (Amendment) Act, 2018.

Benefits payable for employees who have joined on or after August 1, 2014:

Gratuity is payable in accordance with the provisions of The Payment of Gratuity (Amendment) Act, 2018.

(B) Provident fund (Defined benefit plan):

The Company operates a defined benefit plan for Provident fund for management staff. The minimum statutory rate at which the annual rate of interest is payable to the beneficiaries of such plan is administered by the Central Government. The Company is obligated to make good the shortfall in statutory rate prescribed by the Government and rate of interest declared by the trust. The Company also has an obligation to fund any shortfall in the fair value of plan assets as compared with the defined benefit obligation.

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

(C) Amount recognised in balance sheet and movement in the net defined benefit obligation during the year :

a) Changes in the present value of the defined benefit obligation

	Gratuity		Provident Fund	
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
Obligations at the beginning of the year	616.6	576.9	1,362.2	1,158.7
Current service cost	48.8	48.7	66.9	65.9
Interest cost	37.9	33.7	108.0	74.9
Benefits paid	(180.2)	(40.6)	(223.4)	(142.3)
Contribution by employees	-	-	99.6	102.1
Transfer in	-	-	55.1	74.1
Actuarial (gain)/loss	(12.7)	(2.1)	(5.4)	28.8
Obligations at end of the year	510.4	616.6	1,463.0	1,362.2

b) Change in fair value of plan assets

	Gratuity		Provident Fund	
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
Fair value of plan assets as at the beginning of the year	593.0	575.6	1,308.6	1,112.9
Return on plan assets	38.9	35.7	106.5	72.0
Employer contributions	65.0	20.0	74.2	88.6
Transfer in	-	-	55.1	74.1
Employee contributions	-	-	99.6	102.1
Benefits paid	(180.2)	(40.6)	(223.4)	(142.3)
Asset gain/(loss)	(20.1)	2.3	(32.9)	1.2
Fair value of plan assets as at the end of the year	496.6	593.0	1,387.7	1,308.6

c) Effect Due to Asset Ceiling

	Gratuity		Provident Fund	
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
Asset ceiling at the beginning of the year	-	-	-	-
Interest on Asset Ceiling	-	-	-	-
Changes in Asset Ceiling	-	-	-	-
Asset ceiling at the end of the year	-	-	-	-

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

d) Amount recognised in statement of profit or loss under employee cost:

	Gratuity		Provident Fund	
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	48.8	48.7	66.9	65.9
Interest cost	37.9	33.7	108.0	74.9
Return on plan assets	(38.9)	(35.7)	(106.5)	(72.0)
Net employee benefit expense/Net Provident fund cost (Refer note 27A)	47.8	46.7	68.4	68.8

e) Re-measurement (gain)/loss recognised in other comprehensive income

	Gratuity		Provident Fund	
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial (gain)/loss on liability	(12.7)	(2.1)	(5.4)	28.8
Asset (gain)/loss on assets	20.1	(2.3)	32.9	(1.2)
Net actuarial (gain)/loss	7.4	(4.4)	27.5	27.6

f) Net defined benefit asset/(liability)

	Gratuity		Provident Fund	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets	496.6	593.0	1,387.7	1,308.6
Present value of the defined benefit obligations	510.4	616.6	1,463.0	1,362.2
(Deficit)/Surplus	(13.8)	(23.6)	(75.3)	(53.6)
Effect due to Asset Ceiling	-	-	-	-
Benefit asset/(liability)	(13.8)	(23.6)	(75.3)	(53.6)
Recognised under Provisions:				
Non-current provision (Refer note 19)	-	-	69.0	48.2
Current provision (Refer note 19)	13.8	23.6	6.3	5.4

g) Major category of plan assets are as follows :

	Gratuity		Provident Fund	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Insurer Managed funds	100.0%	100.0%	0.0%	0.0%
Equity instruments	0.0%	0.0%	4.4%	4.3%
Government securities	0.0%	0.0%	63.5%	34.5%
Debt instruments	0.0%	0.0%	28.2%	61.2%
Others	0.0%	0.0%	3.9%	0.0%

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

h) The principal assumptions used in estimating defined benefit obligations are as below:

Assumptions	Gratuity		Provident Fund	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Discount rate	7.2%	6.6%	7.2%	6.6%
Outstanding term of the liabilities	6.4 years	6.4 years	6.4 years	6.4 years
Attrition rate	5% to 16.5% based on the employee designation	5% to 16.5% based on the employee designation	5% to 16.5% based on the employee designation	5% to 16.5% based on the employee designation
Retirement Age	60 Years	60 Years	60 Years	60 Years
Salary increase rate	10%	10%	NA	NA
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

Notes:

- (i) The discount rate is based on the prevailing market yield on Government securities as at the balance sheet date for the estimated term of obligations.
- (ii) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.
- (iii) IALM represents Indian Assured Lives Mortality.

i) Actuarial risk and sensitivity

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Government bonds. If the plan assets underperform this yield, this will create a deficit. The Company maintains plan asset for Gratuity through insurance company and for Provident fund is managed through trust.
Interest risk	A decrease in the bond interest rate will increase the plan liability.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The Company ensures that the investment positions are managed within the asset-liability matching framework that has been developed to achieve long-term investments that are in line with the obligations under employee benefit plans. Within this framework, the Company's asset-liability matching objective is to match assets to the defined benefit obligations by investing in plan asset managed by an insurance company and through the Provident Fund trust.

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

A sensitivity analysis for significant assumptions:

	Gratuity		Provident Fund	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Impact on defined benefit obligation				
Discount rate				
1% Increase	(26.4)	(32.9)	(1.77)	(1.9)
1% Decrease	29.9	37.0	2.01	2.6
Salary increase rate				
1% Increase	23.8	27.3	-	-
1% Decrease	(19.7)	(23.1)	-	-
Interest Rate Guarantee				
1% Increase	-	-	36.85	42.7
1% Decrease	-	-	(18.23)	(20.2)

Sensitivities due to mortality and withdrawals are not material and hence impact of change is not disclosed.

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

j) The following payments are expected contribution to the defined benefit plans in future years:

	Gratuity		Provident Fund	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Expected contribution for the next one year	43.4	75.7	71.2	73.2
Weighted average duration of defined benefit plan (years)	6.4	6.4	6.4	6.4

The expected maturity analysis of undiscounted gratuity and provident fund is as below:

	Gratuity		Provident Fund	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Within next 12 months	66.4	75.7	218.6	261.4
Between 2 to 5 years	281.8	328.2	714.3	656.5
Between 6 to 10 years	676.5	793.6	696.2	633.6
Beyond 10 years		-		-
	1,024.7	1,197.5	1,629.1	1,551.5

Notes to the Financial Statements

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36. Employees Restricted Stock Plan

The Ultimate Holding Company, AstraZeneca Plc. United Kingdom (AZUK), listed on London Stock Exchange had introduced a Long-Term Incentive Stock Compensation Plan in the form of Restricted Stock Units (RSUs) to attract and retain the employees. As per the plan, the awards are granted to qualifying management employees of the Company. One restricted stock unit represents one AZUK share. When the stock units vests after three years, restricted stock units are automatically exchanged for the same number of AZUK shares. Moreover, the RSUs do not expire. There is no performance criteria. After the vesting period, the employees are free to either hold or sell the shares.

The expense recognised for employee services received during the year is shown in the following table:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Expense arising from equity-settled share-based payment transactions (Refer note 27A)	23.7	18.2

Movements during the year

The following table illustrates the number and Weighted Average Fair Value (WAFV) of, and movements in RSUs during the year:

	As at March 31, 2023		As at March 31, 2022	
	Number	WAFV (GBP)	Number	WAFV (GBP)
Outstanding at beginning of the year	9,122	77.9	8,250	68.9
Granted during the year	3,153	108.2	3,108	91.5
Forfeited during the year	-	-	(184)	71.0
Exercised during the year	(2,823)	73.8	(2,052)	62.9
Outstanding at end of the year	9,452		9,122	
Vested and exercisable at March 31	2,823		2,052	

Details of RSUs granted during the year:

	As at March 31, 2023	As at March 31, 2022
Date of Grant	March 4, 2023	March 4, 2022
Number of RSUs granted	3,153	3,108
Fair market value per RSU (in GBP)	108.2	91.5
Fair value (in GBP)	341,177	284,382
Expense recognised during the year	23.7	18.2

Fair value of RSUs granted

The fair values were determined using a modified version of the binomial model. This method incorporated expected dividends but no other features into the measurements of fair value. The grant date fair values of share awards does not take into account service and non-market related performance conditions.

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

37. Financial instruments- accounting classification and fair value measurement

Set out below, is a comparison by class of the carrying amounts and fair value of the Company’s financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Financial instruments by category and hierarchy

	As at March 31, 2023		
	Amortised cost	FVTPL	FVTOCI
Financial assets			
Loans	9.6	-	-
Trade receivables	1,075.2	-	-
Cash and cash equivalents	5,003.4	-	-
Bank balance other than cash and cash equivalents	1.4	-	-
Other financial assets	136.7	-	-
	6,226.3	-	-
Financial liabilities			
Trade payables	2,278.8	-	-
Other financial liabilities	303.7	-	-
	2,582.5	-	-
	As at March 31, 2022		
	Amortised cost	FVTPL	FVTOCI
Financial assets			
Loans	5.0	-	-
Trade receivables	858.9	-	-
Cash and cash equivalents	4,484.2	-	-
Bank balance other than cash and cash equivalents	0.4	-	-
Other financial assets	152.0	-	-
	5,500.5	-	-
Financial liabilities			
Trade payables	1,904.4	-	-
Other financial liabilities	440.6	-	-
	2,345.0	-	-

The management assessed that carrying amount of cash and cash equivalents, trade receivables, trade payables and other current financial assets and liabilities approximate their fair values largely due to the short-term maturities of these instruments.

In respect of other financial assets, the difference between the carrying amounts and fair value is not expected to be material.

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

38. Financial risk management objectives and policies

The Company’s principal financial liabilities comprise trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company’s operations. The Company’s principal financial assets include loans, trade and other receivables, cash and cash equivalents and other financial assets that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company’s senior management oversees the management of these risks. The Board of Directors review and agree on policies for managing each of these risks, which are summarised below.

i. Market risk

Foreign Currency Exposure

Foreign currency risk is the risk that the future cash flows of a financial asset or a financial liability will fluctuate because of changes in foreign exchange rates. The operations of the Company are carried out mainly in India. However, the Company exports services to foreign customers and receives certain services from foreign vendors which are denominated in USD, EUR and AUD. Hence the Company is currently exposed to the currency risk arising from fluctuations in the exchange rates between the above currencies and Indian rupee. The Company does not enter into any forward contracts considering the total exposure is not material to the operations of the Company. Foreign currency exposure which was not hedged, are as follows:

Underlying asset/liability	Currency	As at March 31, 2023		As at March 31, 2022	
		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
Other assets (current)	EUR	0.0	0.1	-	-
Financial assets (current)	EUR	0.0	0.0	0.0	0.0
Trade receivables	USD	2.4	215.5	2.0	151.1
Trade payables	USD	(0.0)	(0.3)	(0.0)	(0.4)
	EUR	(0.0)	(0.4)	(0.0)	(0.1)
	AUD	(0.1)	(4.9)	(0.1)	(4.1)

* (0.0) represents amount below rounding off norms adopted by the company

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonable possible change in USD exchange rates, with all other variables held constant. The Company’s exposure to foreign currency changes for all other currencies is not material.

	Change in exchange rate	As at March 31, 2023		As at March 31, 2022	
		Effect on profit before tax	Effect on equity	Effect on profit before tax	Effect on equity
USD					
Increase	5%	10.9	8.1	7.5	5.6
Decrease	-5%	(10.8)	(8.1)	(7.5)	(5.6)

Note: The Company is not subject to any other market risk.

ii. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily with respect to trade receivables, including balances with banks and other financial assets.

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

a. Trade Receivables

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on credit rating scorecard and individual credit limits are defined in accordance with this assessment. To manage this, the company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivable. The terms of payment with the customers are less than 12 months and hence there is no significant financing component.

An impairment analysis is performed at each reporting date on an individual basis for third party receivables. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables, Refer note 10.

The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice.

	Gross carrying amount	Expected loss rate	Allowance for expected credit loss
As at March 31, 2023			
Upto 6 months	1,093.9	0%-28%	39.6
6 to 12 months	57.0	58%-100%	36.1
More than 12 months	91.9	100%	91.9
	1,242.8		167.6
As at March 31, 2022			
Upto 6 months	875.7	0%-37%	29.1
6 to 12 months	41.8	63%-100%	29.5
More than 12 months	92.3	100%	92.3
	1,009.8		150.9

The following table summarizes the change in the loss allowances measured using life-time expected credit loss model:

	As at March 31, 2023	As at March 31, 2022
Opening balance	150.9	110.9
Impairment recognised (net of bad debt expense)	16.7	40.0
Closing balance (Refer note 10)	167.6	150.9

b. Cash and Bank balances, other financial assets

Credit risk from balances with banks and other financial assets is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counter parties and within the limits assigned. Company follows a conservative philosophy and shall aim to invest surplus rupee funds in India only in time deposits with well-known and highly rated banks. The duration of such time deposits will not exceed 365 days other the margin money deposits. Management has evaluated and concluded that impact of credit losses on cash and bank balances and other financial assets is not likely to be material.

The following table summarizes the change in the loss allowances for other financial assets:

	As at March 31, 2023	As at March 31, 2022
Allowance for impairment		
Opening balance	10.5	10.5
Impairment (reversal)/recognised	(5.9)	-
Closing balance	4.6	10.5

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

iii. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The Company maintains flexibility in funding by maintaining appropriate level of funds in bank and liquid deposits. Financial liabilities includes trade payables and other financial liabilities, the amount is repayable generally in a period of 3 months to 1 year.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	Less than 1 year	More than 1 year	Total
March 31, 2023			
Lease liabilities	39.7	34.9	74.6
Trade payables	2,278.8	-	2,278.8
Other financial liabilities	303.7	-	303.7
	2,622.2	34.9	2,657.1
March 31, 2022			
Lease liabilities	42.3	54.8	97.1
Trade payables	1,904.4	-	1,904.4
Other financial liabilities	440.6	-	440.6
	2,387.3	54.8	2442.1

39. Capital management

a. Risk management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholder value. The Company has not availed any borrowings and mainly funded through equity. The Company is subsidiary of AstraZeneca Pharmaceuticals AB, Sweden (Holding Company), the existing surplus funds along with the cash generated by the Company are sufficient to meet its current/non-current obligation and working capital requirements.

The below table depicts the companies net debt to equity ratio.

Particulars	As at March 31, 2023	As at March 31, 2022
Net debt*	72.1	86.3
Total equity	5,886.9	5,113.9
Net debt to equity ratio	1.2%	1.7%

* Net debt represents lease liabilities (Refer note 17)

b. Dividend

Particulars	As at March 31, 2023	As at March 31, 2022
Equity shares		
Final/Interim dividend of ₹ 8 (2022: ₹ 2) for fully paid up shares	200.0	50.0

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

40. Financial Ratios

Ratios	Numerator	Denominator	Current period	Previous period	% of variance	Reason for variance more than 25%
(a) Current Ratio	Current Assets	Current Liabilities	2.2	2.1	2.6%	Not applicable
(b) Debt-Equity Ratio	Total Debt (*)	Shareholder's equity	1.2%	1.7%	-27.4%	Decrease is on account of increase in equity due to higher profits during the year
(c) Debt Service Coverage Ratio	Earning available for Debt Service (^)	Debt Service (**)	29.9	23.1	29.8%	Increase is on account of higher net profit due to change in product mix
(d) Return on Equity Ratio	Net profit after taxes	Average Shareholders equity	16.9%	12.0%	40.0%	Increase is on account of higher net profit due to change in product mix
(e) Inventory turnover ratio	Cost of Goods sold or sales	Average Inventory	2.2	2.1	4.8%	Not applicable
(f) Trade Receivables turnover ratio	Net Credit Sales	Average Trade Receivables	10.4	9.4	10.1%	Not applicable
(g) Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	0.5	0.4	21.2%	Not applicable
(h) Net capital turnover ratio	Net Sales	Working Capital	2.2	2.2	2.9%	Not applicable
(i) Net profit ratio	Net Profit	Net Sales	9.9%	7.6%	29.5%	Increase is on account of higher net profit due to change in product mix
(j) Return on Capital employed	Earnings before Interest & Taxes	Capital Employed (#)	23%	16%	39.4%	Increase is on account of higher net profit due to change in product mix
(k) Return on investment	Income generated from investments	Time weighted average investments	Not applicable (***)	Not applicable (***)	Not applicable (***)	Not applicable

(*) - Debt represents only lease liabilities
(^)- Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss/(profit) on sale of Property, plant and equipment etc.
(**) - Lease payments
(#) - Tangible net worth + Lease Liabilities
(***) - The Company does not have any investments. Hence return on investment ratio is not applicable.

41. Corporate Social Responsibility

- (a) Gross amount required to be spent by the Company during the year: ₹ 21.3 (2022: ₹ 20.7).
- (b) Amount unspent during the year: ₹ NIL (2022: ₹ NIL).

	Opening balance	Amount deposited in Specified Fund of Sch.VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
For the year ended March 31, 2023	-	-	21.3	21.3	-
For the year ended March 31, 2022	-	-	20.7	20.7	-

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

(c) Amount spent during the year on:		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above (Refer note 28A)		
- Charities Aid Foundation	21.3	20.7
(d) Details of excess CSR expenditure under Section 135(5) of the Act:		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance excess spent	-	-
Add: Amount required to be spent during the year	21.3	20.7
Less: Amount spent during the year	21.3	20.7
Balance excess spent	-	-
(e) There are no ongoing CSR projects under Section 135(6) of the Act.		
Additional disclosure with regard to CSR activities	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Amount required to be spent by the company during the year	21.3	20.7
(ii) Amount of expenditure incurred	21.3	20.7
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	-	-
(vi) Nature of CSR activities	-	-
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	-	-

42. Dues to micro and small enterprises

The Company has certain dues to micro and small enterprises registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.*	66.2	7.9
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.#	-	-
(iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.^	0.5	2.8
(iv) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
(v) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.#	0.0	0.0



Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(vi) Interest due and payable towards suppliers registered under MSMED Act, for payments already made.#	-	-
(vii) Further interest remaining due and payable for earlier years.	-	-

* The principal amount represents amount outstanding (due as well as not due) as on the Balance Sheet date.
#0.0 represents amounts below rounding off norms adopted by the Company.
^ Based on periodic circularisations by the Company and responses received from the suppliers, the Company identifies Micro and Small parties registered under the MSMED Act. The information above has been compiled by the management basis such identification. Delays in payments beyond the stipulated date prescribed under the MSMED Act have been identified for relevant vendors based on the acceptance dates for such goods/services.

43. Revenue from contract with customers

(i) Disaggregation of revenue from contract with customers		
The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of the Company’s revenue and cash flows are affected by market and other economic factors.		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Domestic:		
Sale of products:		
Tablets	7,514.7	6,468.4
Injectables	1,673.6	937.3
Inhalation	201.0	186.0
	9,389.3	7,591.7
Export:		
Sale of products:		
Tablets	28.2	22.5
Revenue from sale of services	612.2	441.8
	640.4	464.3
Total	10,029.7	8,056.0
Disaggregation of revenue from sale of products on the basis of theraputic area is as below:		
Oncology	55.8%	46.6%
Cardiovascular	27.0%	28.4%
Diabetes	13.7%	22.2%
Respiratory	3.5%	2.8%
	100.0%	100.0%

All revenues of the Company are recognised at a point in time except for revenue from sale of services which is recognised over time.

(ii) Revenue from sale of tablets and injectables includes an amount of ₹ 306.9 (2022 : ₹ 128.3) which was classified as deferred revenue as at the end of previous year. Refer note 18.

(iii) Performance obligations and remaining performance obligations

Performance obligations of the Company to deliver goods are required to be satisfied within a period of 12 months or less. Accordingly, management has elected to use the practical expedient provided in Ind AS 115 and has not disclosed the transaction price of unsatisfied performance obligations as at the year end.

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

Sale of services:

In respect of clinical services and marketing support services, the Company is entitled to charge the customer an amount that corresponds directly with the value to the customer of the entity’s performance completed to date, measured based on the actual costs incurred by the Company in providing clinical services and marketing support services. Considering the nature of the arrangement, management has used the practical expedient in Ind AS 115 and has not disclosed the transaction price of unsatisfied performance obligations in respect of clinical trial services and marketing support services as at the year end.

(iv) Reconciliation of revenue recognised with Contract price

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contract price	10,076.1	8,094.5
Adjustments for:		
Refund liabilities for sales returns (Refer note 18)	46.4	38.5
Revenue from operations	10,029.7	8,056.0

44. Additional regulatory information required by Schedule III

- (i) Details of benami property held: No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (ii) Wilful defaulter: The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (iii) The Company did not have any loans or other borrowings availed from banker or financial instiutions during the current or previous year.
- (iv) Compliance with number of layers of companies: The Company does not have any subsidiary company and hence provisions relating to layers perscribed under Companies Act, 2013 and Companies (Restriction on Number of Layers) Rules, 2017 (‘Layering Rules’) are not applicable to the Company.
- (v) Compliance with approved scheme(s) of arrangements: The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (vi) 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 the Intermediary shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (vii) 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 Company shall:
 - a. 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
 - b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (viii) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (ix) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

- (x) The Company has not revalued its Property, plant and equipment or intangible assets during the current or previous year.
- (xi) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3 to the financial statements, are held in the name of the Company.
- (xii) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- (xiii) Relationship with struck off companies: The Company has following transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956:

For the year ended March 31, 2023 : No transactions noted with stuck off companies during the year.

For the year ended March 31, 2022

Name of Struck off Company	Nature of transactions	Transactions during the year	Balance outstanding at the end of the year	Relationship with the Struck off company, if any, to be disclosed
Trackon Ewaste Recyclers Private Limited	Trade receivable	2.6	-	E-waste vendor
Cream Packs Private Limited	Interim dividend	0.0 (*)	-	Shareholder
Digsha Holdings Pvt Ltd	Interim dividend	0.0 (*)	-	Shareholder

* 0.0 represents amount below rounding off norms adopted by the company

45. Provident Fund - Supreme Court Judgement

The Company has evaluated the impact of Supreme Court (“SC”) judgement dated February 28, 2019 in the case of Regional Provident Fund Commissioner (II) West Bengal v/s Vivekananda Vidyamandir and Others, in relation to exclusion of certain allowances from the definition of “basic wages” of the relevant employees for the purposes of determining contribution to Provident Fund (“PF”) under the Employees’ Provident Fund & Miscellaneous Provisions Act, 1952. There are interpretation issues relating to the said SC judgement. Based on such evaluation, management has concluded that affect of the aforesaid judgement on the Company is not material and accordingly, no provision has been made in the financial statements.

46 The Board of Directors, at its meeting dated May 30, 2023, have recommended a dividend of ₹16 (2022: ₹8) per equity share aggregating to ₹ 400 (2022: ₹ 200) which is subject to approval of shareholders at the ensuing Annual General Meeting.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm registration number: 304026E/E-300009

Prasanna Padar Mahabala
Partner
Membership number: 206477

Place: Bengaluru
Date: May 30, 2023

For and on behalf of the Board of Directors of
AstraZeneca Pharma India Limited

Narayan K. Seshadri
Chairman
DIN: 00053563
Place: Bengaluru
Date: May 30, 2023

Manasa Rama
Company Secretary
Place: Bengaluru
Date: May 30, 2023

Sanjeev Kumar Panchal
Managing Director
DIN: 09823879
Place: Bengaluru
Date: May 30, 2023

Rajesh Marwaha
Director & Chief Financial Officer
DIN: 01458768
Place: Bengaluru
Date: May 30, 2023

TEN YEAR SUMMARY

Particulars	Unit	2022-23 Ind AS	2021-22 Ind AS	2020-21 Ind AS	2019-20 Ind AS	2018-19 Ind AS	2017-18 Ind AS	2016-17 Ind AS	2015-16	2014-15	2013-14
(Rupees in Million)											
Sales & Earnings											
Total income	₹	10,290.7	8,203.6	8,264.0	8,448.0	7,445.8	5,842.4	5,630.5	5,705.0	5,229.2	4,831.8
Profit before depn, int & tax	₹	1,509.9	1,009.3	1,483.1	1,336.9	876.0	585.3	513.3	231.9	(55.6)	(37.6)
Profit before int & tax	₹	1,347.2	839.9	1,281.8	1,151.1	726.7	438.0	355.0	57.6	(208.4)	-
Profit before tax	₹	1,341.0	830.4	1,270.9	1,139.7	726.7	438.0	355.0	57.6	(208.4)	-
Profit after tax	₹	992.9	616.0	933.0	722.1	544.5	259.1	200.5	52.6	(208.4)	(5.1)
Dividend paid	₹	200.0	50.0	50.0	30.1	-	-	-	-	-	-
Retained earnings	₹	986.7	598.6	967.3	672.9	538.5	259.1	200.5	52.6	(208.4)	(5.1)
Capital Employed											
Fixed Assets (PPE* + CWIP#)	₹	641.4	692.9	739.3	845.1	817.3	790.3	916.5	1,036.7	1,131.9	1,035.3
Right-of-use assets	₹	60.5	74.1	110.5	112.6	-	-	-	-	-	-
Investments	₹	-	-	-	-	-	-	-	0.0	0.0	0.0
Deferred tax assets	₹	206.7	163.0	145.3	146.4	233.6	325.5	402.2	-	-	-
Current Tax asset	₹	515.7	515.7	501.0	488.4	464.4	235.6	284.4	-	-	-
Other non-current assets**	₹	69.7	63.3	63.4	47.9	55.5	44.8	36.3	-	-	-
Working capital	₹	4,515.5	3,730.2	3,152.6	2,150.8	1,457.2	1,139.6	612.1	523.5	375.6	680.6
Total	₹	6,009.4	5,239.2	4,712.1	3,791.2	3,028.0	2,535.8	2,251.5	1,560.1	1,507.6	1,716.0
Represented by											
Networth	₹	5,887.0	5,113.9	4,561.7	3,644.4	3,008.0	2,469.3	2,228.7	1,560.1	1,507.6	1,716.0
Share capital	₹	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Reserves	₹	5,837.0	5,063.9	4,511.7	3,594.4	2,958.0	2,419.3	2,178.7	1,510.1	1,457.6	1,666.0
Total	₹	5,887.0	5,113.9	4,561.7	3,644.4	3,008.0	2,469.3	2,228.7	1,560.1	1,507.6	1,716.0
Ratios											
Measures of Performance											
PBT to total income	%	13.0	10.1	15.4	13.5	9.8	7.5	6.3	1.0	(4.0)	-
PAT to total income	%	9.6	7.5	11.3	8.5	7.3	4.4	3.6	0.9	(4.0)	(0.1)
Material consumption to sales	%	38.2	41.0	38.0	38.1	33.8	34.5	34.8	38.5	42.7	37.6
Employee cost to sales	%	27.5	30.2	28.3	27.0	28.9	29.1	31.5	32.8	34.1	36.3
Net fixed assets to net worth	%	10.9	13.5	16.2	23.2	27.2	32.0	41.1	66.4	75.1	60.3
Fixed assets usage	Times	16.4	12.2	11.8	14.0	10.0	7.7	6.5	5.9	5.2	5.1
Measures of Investments											
Return on Networth	%	16.9	12.0	20.5	19.8	18.1	10.5	9.0	3.4	(13.8)	(0.3)
Earnings per share @	₹	39.7	24.6	37.3	28.9	21.8	10.4	8.0	2.1	(8.3)	(0.2)
Dividend payout ratio	%	20.1	8.1	5.4	4.2	-	-	-	-	-	-
Dividend coverage ratio	Times	5.0	12.3	18.7	24.0	-	-	-	-	-	-
Measures of Financial Status											
Current ratio	Unit	2.2	2.1	2.0	1.7	1.6	1.6	1.3	1.1	1.0	1.1
Quick ratio	Unit	1.7	1.7	1.5	1.2	1.1	1.0	1.0	0.8	0.7	0.7
Inventory holding (on sales)	Days	74	67	75	75	63	78	41	54	67	79
Other information											
Contribution to exchequer	₹	1,773.8	1,344.6	1,159.8	1,445.8	1,014.6	884.2	878.1	773.1	634.7	568.7
Employee											
- Cost	₹	2,591.0	2,302.1	2,195.4	2,167.0	1,974.0	1,535.3	1,620.4	1,693.5	1,598.4	1,604.6
- Numbers		947	1,183	1,263	1,325	1,452	1,356	1,138	1,587	1,654	1,559
Number of shareholders		41,246	57,760	63,753	17,768	14,591	13,179	15,970	14,402	12,978	13,978
Dividend	%	400.0	100.0	100.0	50.0	-	-	-	-	-	-
Book value = net worth per share @	₹	235.5	204.6	182.5	145.8	120.3	98.8	89.1	62.4	60.3	68.6

* PPE refers to Property, plant and equipment
CWIP refers to Capital work-in-progress

**Other non-current assets includes non-current loans, other non-current financials assets and other non-current asset



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