



What science can do

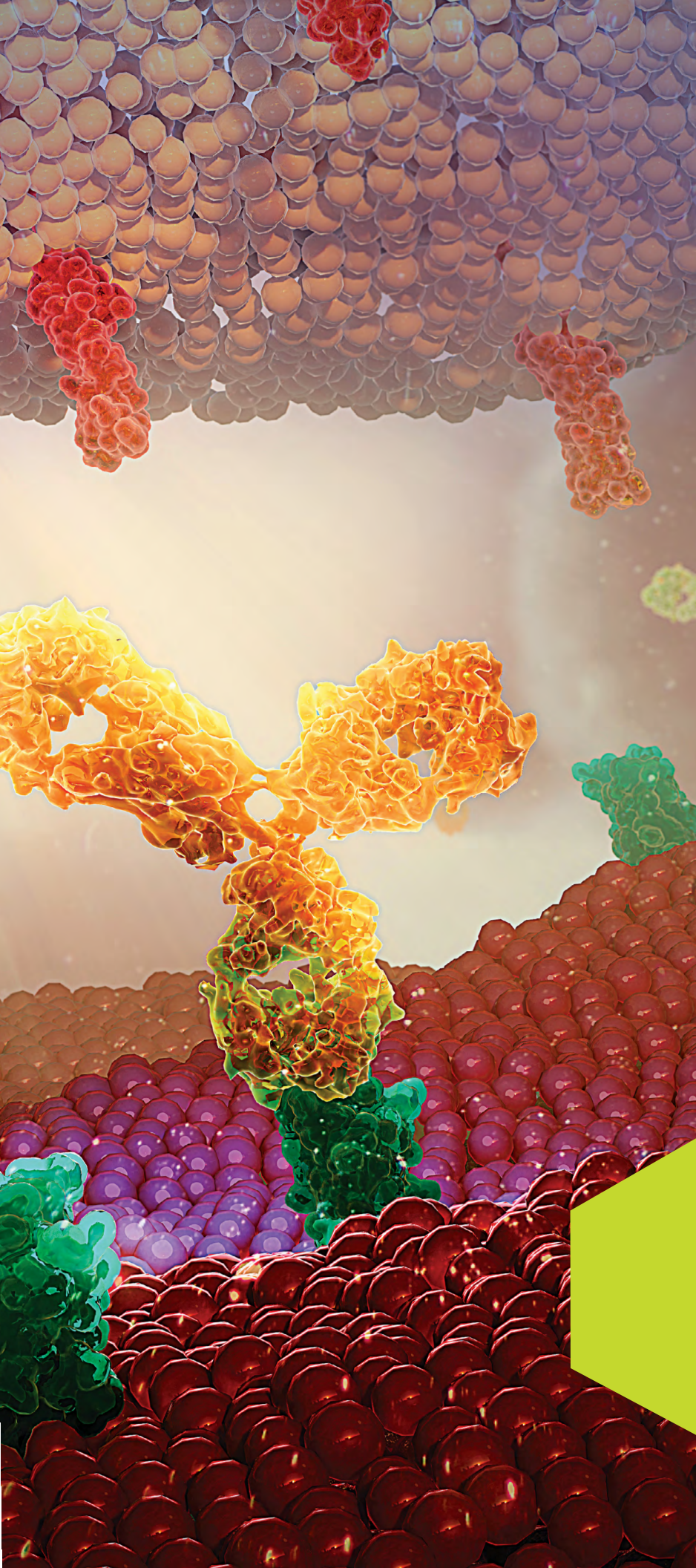
AstraZeneca Pharma India Limited
Annual Report 2020-21



AstraZeneca is a global, science-led, patient-focused pharmaceutical company. This Annual Report signifies the progress made by the Company in 2020-21 in pushing the boundaries of science to deliver life-changing medicines.

What science can do next?

Inspired by the Company's values and the unlimited potential of science, the focus remains on accelerating the delivery of life-changing medicines that create enduring value for the patients and society at large. AstraZeneca is committed to operating in a way that recognises the interconnection between business growth, the needs of society and the limitations of the planet. Its sustainability priorities with respect to healthcare, environmental protection, and ethics and transparency support the delivery of the business strategy.



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Managing Director's Statement

Doing The Right Thing, The Right Way!

Dear Shareholder,

I hope that you and your family are in good health. The pandemic has severely impacted the economy in more than 216 countries including India. In light of this global challenge, the pharmaceutical industry has expanded its research into COVID-19 at an unprecedented pace.

"The consistent achievements in the pipeline, accelerating performance of our business, the extraordinary commitment of our people and continued supply of our medicines played an important role in fuelling our overarching objective of 'No patients left behind'. We are the fastest growing company in Oncology at 150% and 3rd biggest Oncology brand in India".



AstraZeneca's core values focus on following the science, putting patients first and doing the right thing. When AstraZeneca PLC, UK partnered with the University of Oxford in the landmark journey, these values were in focus. This helped stitch together the partnership in record time as its values matched, and they committed to ensuring that they would access as many patients across the world as possible. The company* was clear from the start that this was not for profit and was for equitable access. A number of alliances also worked for this – Coalition for Epidemic Preparedness, GAVI, etc. and were supported by foundations like Gates Foundation. These partnerships ensure that the delivery of the vaccine started across the world, especially in low-income regions like West Africa. Partnerships with Serum Institute in India and similar ones in Korea, Brazil, Russia, and others were established to ensure that there are enough vaccines. Thus trials, partnerships with producers, agreements with governments all took place simultaneously. The company quickly supplied vaccines to 130 countries and 400 million doses had been administered by early June. This was the most by any vaccine producer.

We achieved remarkable pipeline and regulatory performances in 2020, with 10 approvals of new medicines or life-cycle management indications in major markets. Despite the occasional setback, considering the situation, we were able to secure 3 major approvals with Dapa-HF and Dapa CKD in CVRM, FASENRA in Severe Asthma, Tagrisso ADAURA (for adjuvant treatment after complete tumour resection in patients with NSCLC whose tumours have EGFR mutations) and Calquence for CLL. With this, we created the next wave of our innovative pipeline, ensuring the sustainable delivery of new products. We have been able to get 17 clinical trial application approvals in India; thereby, bringing in novel therapeutic options in a clinical setting for patients with an unmet need.

At such a time, digital technologies play an important role. We were successful in identifying the gap in patient-healthcare professional (HCP) connect and developed tangible solutions. Activation of Virtual Patient Care Management Services as part of beyond-the-pill solution supported with EMR and Telemedicine Services enabled better connect between HCPs and patients during the period of restricted access to physical clinics. We also initiated patient education campaigns via our e-Pharma partners across social media channels. We invested in a stronger digital ecosystem that enabled virtual connects between our representatives and HCPs, online consultations for patients and timely delivery of life-saving drugs at the patient's doorstep.

(*The company here refers to AstraZeneca PLC, UK)



17

Clinical trial application approvals in India

Additionally, we sought to reduce the impact of the pandemic on cancer outcomes by, for example, launching 'New Normal, Same Cancer' campaign, which we co-created with seven leading global patient coalitions, to encourage patients whose care had been interrupted to re-engage with the healthcare system.

There is now a higher focus on automation, digitisation as well as increased dependence on analytical tools for decision-making. We are leveraging IT technology tools to ensure business continuity as well as to facilitate work from home (WFH) for many functions in the organisation. Changes at our manufacturing facilities have been implemented to boost productivity as well as ensure adherence to all safety and hygiene protocols.

Our performance in 2020-21 marked a significant step forward for AstraZeneca. The consistent achievements in the pipeline, accelerating performance of our business, the extraordinary commitment of our people and continued supply of our medicines played an important role in fuelling our overarching objective of 'No patients left behind'. We are the fastest growing company in Oncology at 150% and 3rd biggest Oncology brand in India.[#]

I am grateful to our Board of Directors for their guidance and support in these uncertain times. We are also thankful for your support as a shareholder and we hope that you will continue to repose your confidence in us in the future as well.

Gagandeep Singh

MD, AstraZeneca Pharma India Limited

([#]IPSOS June 2020 Dataset; Oncology entire market considered)

At a glance

A global science-led business delivering medicines to patients through innovative science and excellence in development and commercialisation. The Company's culture is defined by its shared values and purpose. Accompanying this, the commitment to sustainability, performing as an enterprise team, lifelong learning and inclusion and diversity make AstraZeneca a great place to work.

Strategic Priorities

Reflect how we are working to achieve our Purpose



Delivering growth and therapy area leadership



Accelerate innovative science



Be a great place to work



Our Values



We follow science



We play to win



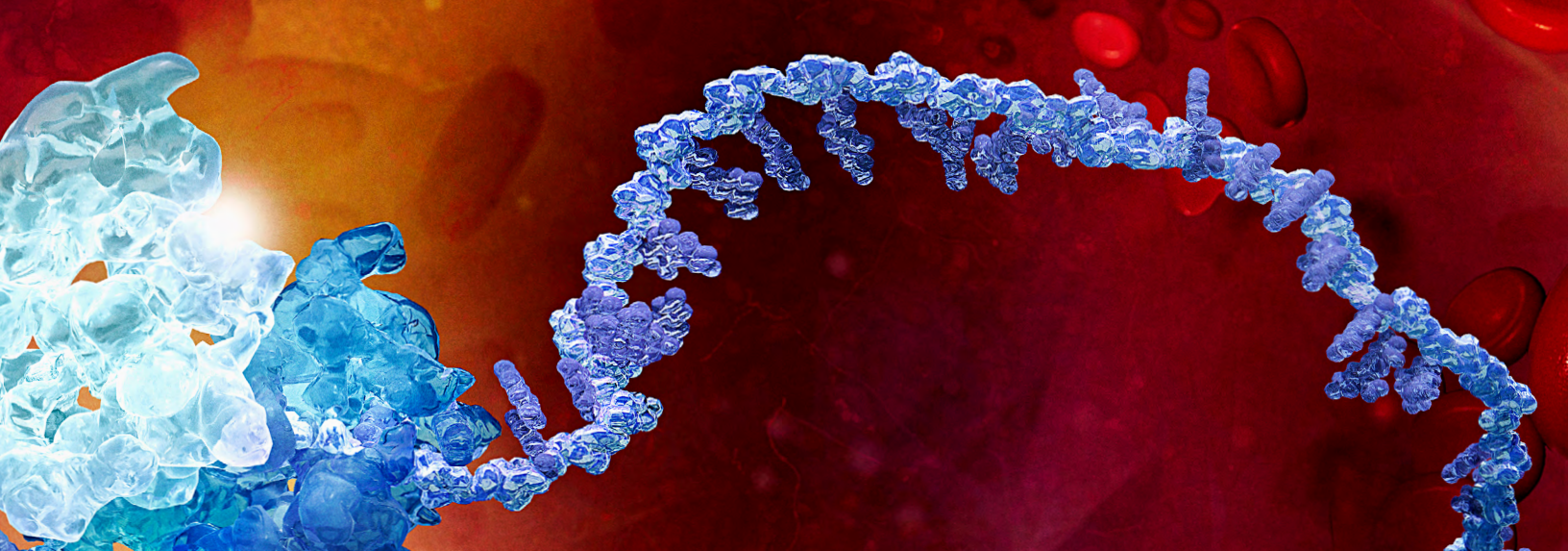
We are entrepreneurial



We do the right thing



We put patients first



Focus Therapy Areas

Cardiovascular, Renal and Metabolic diseases

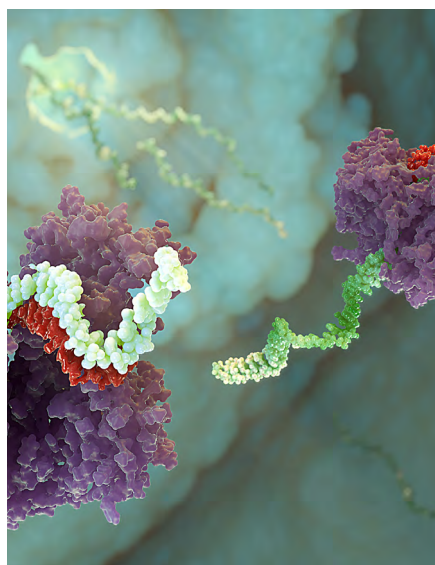
The Company's integrated approach to treatments is effective in reducing cardiovascular morbidity and mortality.

Oncology

Focus on redefining the treatment paradigm to eliminate the terminal nature of the disease.

Respiratory, Inflammation and Autoimmunity

AstraZeneca aims to leverage its immense potential to deliver scientific breakthroughs and transform the lives of people through its rich 40-year experience in respiratory science.



Product Portfolio

 BRILINTA® ticagrelor tablets	 once-daily forxiga	 xigduo® XR Dapagliflozin & Metformin HCl (Extended Release) Tablets	Initiate  CRESTOR® rosuvastatin tablets 10 20 40 60 mg AT THE CREST OF CV PROTECTION	 TAGRISSO™ osimertinib	 CALQUENCE® (acalabrutinib) 100 mg capsules
 Lynparza® olaparib tablets 100/150 mg	 IMFINZI® durvalumab injection for intravenous use 50 mg/mL	 Symbicort® budesonide/formoterol	 Zoladex®	 Fasenra™ (benralizumab) subcutaneous injection 30 mg	ONCE-A-DAY  Seloken XL metoprolol succinate prolonged-release tablets P 200/300 mg

Making Science Accessible

As a science-led biopharmaceutical company, AstraZeneca wants to be valued and trusted by its stakeholders as a source of great medicines in the long-term. The Company is committed to operating in cognisance of the interconnection between business growth, the needs of society and the limitations of the planet.

What does 'making science accessible' mean at AstraZeneca?

Access to healthcare

- Connecting business growth to positive impact for the society
- Setting goals and building on systems that support people around the world towards a healthier future

Environmental protection

- The health of the environment has a huge impact on human wellbeing
- From climate change to consumption, the Company is responsible for reducing its dependence on natural resources

Ethics and transparency

- Putting its values at the forefront of decision-making
- From sales and marketing to clinical trial transparency and bioethics, it's one way to meet stakeholder expectations

Access to Healthcare

AstraZeneca builds healthy communities by taking a holistic approach to address the global burden of illness—from prevention to pipeline to treatment. The Company develops medicines, creates supporting programmes and channels its investments, including those focused on prevention and strengthening health systems, to meet the needs of communities. By increasing awareness on how lifestyle choices and the environment affect health, the Company plays a key role in creating a healthier society.



India-Sweden Healthcare Innovation Challenge

The India-Sweden Healthcare Innovation Centre, a partnership between the Swedish Trade Commissioner's Office and All India Institute of Medical Sciences, New Delhi (AIIMS, New Delhi) and AIIMS Jodhpur, along with the official knowledge partner of the Innovation Centre AstraZeneca, conducted the India-Sweden Innovation Challenge. One of the biggest virtual healthcare challenges, with 468 applications from start-up ventures, to identify and support innovative solutions that can impact the treatment of non-communicable and communicable diseases and help regress critical problems in the healthcare delivery landscape of India. The Innovation Challenge included a rigorous evaluation process by a panel of experts from AIIMS Delhi, AIIMS Jodhpur, ICMR,

The Swedish Trade Commissioner's Office to India, AstraZeneca, AIM, C-CAMP and other partners.

This committee shortlisted 14 compelling solutions. The selected start-ups will collaborate with the India-Sweden HIC to enable faster scale-up, cross-country mentorship, access to a state-of-the-art incubation centre located within the AIIMS Jodhpur campus, access to lab facilities, guidance on funding, and the ability to work with like-minded innovators from across India and beyond.

A.Catalyst Network – India Health Innovation Hub

A.Catalyst Network is an interconnected and dynamic global network of more than 20 AstraZeneca health innovation hubs with physical locations and virtual partnerships.

It aims to address healthcare challenges, increase access to healthcare and scale and showcase patient-enabled innovation through partnerships within the health ecosystem.

Developed in 2019 in partnership with the National Association of Software and Services Companies (NASSCOM) and then expanded to include AIIMS Delhi and AIIMS Jodhpur, leading public hospitals, the India Health Innovation Hub was launched to focus on the development and integration of advanced technologies into the existing infrastructure.

20+

AstraZeneca health innovation hubs with physical locations and virtual partnerships under A.Catalyst Network

**Key initiatives**

Innovation Challenges to identify key outreach partners

India-Sweden Innovation Centre provides a cross-continent platform for collaborative working, incubation and mentoring

AIIMS Jodhpur provides a live Centre of Excellence (CoE) to pilot and implement digital health solutions

Accelerator programme provides showcase and scale-up support to local stakeholders and promising start-ups

Metabolic Centres of Excellence

The first Metabolic Centre of Excellence (CoE) was launched on World Diabetes Day 2018 in partnership with the Department of Health and Family Welfare, Government of Kerala, to introduce a holistic, all-encompassing Metabolic Centre of Excellence and extend comprehensive management solutions for diabetes and its associated metabolic conditions. We then expanded this model in partnership with Business Sweden and Maharashtra Government in 2020 with two COEs at Wardha and Arvi, Maharashtra. Till date, 60,000 patients have been screened at three of our CoEs resulting in 8,000 patients being diagnosed with early management of diabetes. The Company plans on expanding this model to include Oncology across other states as well.

**60,000+**

Patients have been screened at three of our CoEs resulting in 8000 patients being diagnosed

Ganga Godavari Early Cancer Screening Programme

Launched in February 2019 on World Cancer Day, the first phase of this programme was implemented in Maharashtra, Tamil Nadu, and Karnataka. Till now, more than 76 camps have been conducted under the Ganga Godavari Programme and around 4,000+ beneficiaries have been registered. All the positive cases have been referred to partner tertiary care hospitals for further treatment.

The current phase of this programme is initiated in Varanasi, Uttar Pradesh, in consensus with NHM and the Ministry of Health and Family Welfare (MoHFW) with more than 300 beneficiaries who have registered themselves at the camp.

**New Normal, Same Cancer Campaign**

This new campaign has been co-created with seven leading global patient coalitions—representing millions of patients living with different types of cancer including lung, kidney, pancreatic, ovarian and breast cancer. The message is simple but critical: cancer will not wait, and neither should we.



As part of the campaign, the Company worked with three national patient-centric organisations, Indian Cancer Society, V-Care Foundation and IHW Council, for an integrated awareness campaign resulting in 1 million views and reaching 6 million through social media. Dedicated radio shows and digital campaigns have helped us reach more than 2 million viewers for the purpose of raising awareness. The New Normal, Same Cancer campaign will continue in its endeavour until we no longer feel the effects of the COVID-19 pandemic on cancer care.

Early Nodule Detection of Lung Cancer

E.N.D Lung Cancer (Early Nodule Detection of Lung Cancer) aims to create a lung cancer care ecosystem in partnership with the winners of the India Innovation Challenge – Qure.ai and Predible. Chest X-Rays are first screened for lung nodules using Qure.ai's deep learning techniques. Suspicious cases are referred for CT scans where Predible's AI steps in to classify the nodule as lung cancer or other conditions. The quick and early intervention can significantly improve the survival rates of patients, bridging a crucial gap in the patient journey.

Project Heartbeat

Developed in partnership with Tricog, one of the world's leading healthcare analytics companies, Heart Beat is an AI-based technology that allows for early diagnosis and intervention in ACS patients. A digital app enables the cloud-based screening of electrocardiograms, facilitating remote interpretation by experts to identify critical cases. Prospective patients are then routed to the nearest treatment facility, where the early loading of medication is available.

5,000+ ECGs were conducted and remotely interpreted in less than 3 minutes—identifying 2,261 abnormal cases and 369 cases of critical myocardial infarction, which have been referred and treated at the Hub. Developed in partnership with Tricog, Heart Beat is currently active across a network of 7 Hubs and 32 Spokes that allow for early diagnosis and intervention in ACS patients.

Thriving in the New Normal

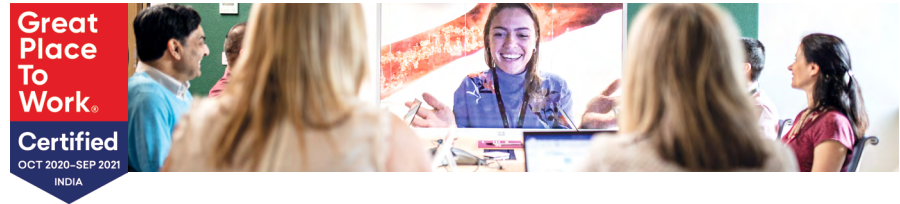
We Care For You

This is an initiative by the employees and for the employees supported by cross-functional leadership team. As a part of this initiative, there have been regular knowledge exchange forums run by the Medic channel with the objective of empowering employees on guidelines-based prevention and treatment of COVID-19 disease. The home-based diagnostic support, home isolation packages and last mile support was organised in addition to providing good quality masks, sanitisers as well as other PPE kits for field colleagues. These efforts were over and above the measures implemented in day-to-day practices and across various work streams. The measures were also included in the distributed handbook that offers advice, support and resources in fight against the pandemic across the country. The team continues these efforts even in 2021 and is closely monitoring the situation and providing holistic support through various people-centred initiatives.

Transforming patient lives during pandemic

A complete lockdown was imposed in India in March 2020, affecting all inter/intrastate transportation and services. This led to a substantial impact on out-patient services. During this time, the Company engaged with 150+ vendors and onboarded 35+ vendors to a digital ecosystem which led to activation of various digital platforms and solutions for the benefit of the doctors and their patients. The Company also initiated patient education campaigns via e-Pharma partners across social media channels. To maintain connect with the doctors and to keep them updated with the latest developments on drugs, an omnichannel strategy was adopted where different platforms were used to meaningfully engage with the doctors.

Nurturing a Great Place to Work



At AstraZeneca, efforts are made every day to maintain its position among the top employers of choice. The Company has been focused on building a diverse workforce and an inclusive culture, as it believes that leveraging the strength and diversity of its people is critical in order to deliver on goals in the next phase of the growth journey.

Employee Programmes and Interventions

To deliver on the 'Growth Through Innovation' strategy, the Company is continually strengthening and evolving its capabilities and building the confidence to challenge convention and explore new possibilities. It remains committed to fostering a culture of lifelong learning. This culture has also been instrumental in AstraZeneca being recognised as a Great Place To Work.

Vaccination drive for employees

India began its vaccination program on January 16, 2021. The initial phase of vaccination focused on inoculating the frontline workers and high-risk patients. Subsequently, on May 1, the Government extended the program to all residents above 18 years of age. The Company began its first phase of vaccination on May 15, for its employees in Bengaluru and Chennai. Subsequently, the voluntary vaccination drive for employees was carried out in multiple cities across the country in partnership with Apollo Hospitals. So far, more than 85% of employees, along with their dependents, have been vaccinated across 20+ cities.

More than 85%

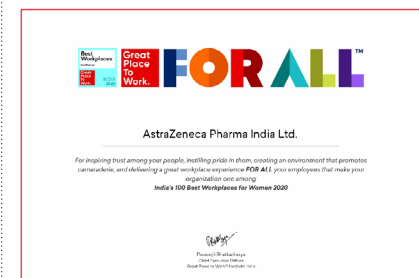
Employees along with their dependents, have been vaccinated across 20+ cities

Employer of Choice

Certified as a Great Place to Work by GPTW Institute for the third consecutive year



Certified as a Top 100 Great Place To Work for Women 2020 by GPTW institute



Recognised among Top 100 Best Companies for Women by the Working Mother & Avtar Group, for the third consecutive year. Also, voted as an 'Exemplar of Inclusion' by the Working Mother & Avtar Group

Among the Top 50 Companies in the People Capital Index by Jombay

Corporate Information

Board of Directors

Independent Directors

Mr. Narayan K. Seshadri, Chairperson
Ms. Revathy Ashok
Ms. Kimsuka Narsimhan

Non-Executive Directors

Mr. Ankush Nandra
Ms. Weiyang Sarah Wang

Executive Directors

Mr. Gagandeep Singh Bedi
Mr. Rajesh Marwaha

Committees of Board

Audit Committee

Ms. Revathy Ashok, Chairperson
Mr. Narayan K. Seshadri
Ms. Weiyang Sarah Wang

Nomination and Remuneration Committee

Ms. Kimsuka Narsimhan, Chairperson
Mr. Narayan K. Seshadri
Mr. Ankush Nandra
Ms. Weiyang Sarah Wang

Stakeholders' Relationship Committee

Ms. Weiyang Sarah Wang, Chairperson
Ms. Revathy Ashok
Mr. Gagandeep Singh Bedi
Mr. Rajesh Marwaha

Corporate Social Responsibility Committee

Ms. Weiyang Sarah Wang, Chairperson
Ms. Revathy Ashok
Mr. Gagandeep Singh Bedi

Other Corporate Information

Corporate and Registered Office

Block N1, 12th Floor, Manyata Embassy Business Park,
Rachenahalli, Outer Ring Road, Bengaluru – 560 045

Factory

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

Sales Outlets

Ahmedabad, Bengaluru*, Chandigarh, Chennai, Cuttack, Delhi,
Guwahati, Hyderabad, Indore, Kochi, Kolkata, Lucknow,
Mumbai and Ranchi
*Company outlets (Bengaluru)

Auditors

Price Waterhouse & Co Chartered Accountants LLP

Bankers

The Hongkong and Shanghai Banking Corporation Limited

Chief Financial Officer

Mr. Rajesh Marwaha

Company Secretary and Legal Counsel

Mr. Pratap Rudra

Annual General Meeting

at 3:00 p.m. IST on Monday, August 9, 2021
through Video Conferencing/Other Audio-Visual Mode

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 42nd Annual General Meeting of the Members of AstraZeneca Pharma India Limited will be held on Monday, August 9, 2021 at 3 p.m. IST 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, 2021, the Audited Profit & Loss Account and the Cash Flow Statement 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 confirm the payment of interim dividend of ₹ 2/- per equity share for the financial year 2020-21.

Item No. 3

To appoint a Director in place of Mr. Ankush Nandra (DIN: 08737981) who retires by rotation, and being eligible, offers himself for re-appointment.

Item No. 4

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

RESOLVED THAT pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time ('the Act'), M/s. Price Waterhouse and Co. Chartered Accountants LLP (Firm Registration No. 304026E/E-300009) be and are hereby appointed as the statutory auditors of the Company for a second term of 5 (five) years to hold office from the conclusion this 42nd Annual General Meeting, until the conclusion of 47th Annual General Meeting on such remuneration as may be approved by the Board of Directors of the Company.

SPECIAL BUSINESS

Item No. 5

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

RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 ('the Act') and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Revathy Ashok (DIN: 00057539), who was appointed as an Independent Director to hold office up to December 1, 2021 and being eligible, be and is hereby re-appointed as an Independent Director of the Company to hold the office for a second term of 5 years i.e. from December 2, 2021 to December 1, 2026, not liable to retire by rotation.

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 ₹ 1,75,000 (Rupees One Lakh Seventy Five Thousand only) plus applicable tax and reimbursement of out-of-pocket expenses at actuals, to M/s. Rao, Murthy and 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, 2022, be and is hereby confirmed, approved and ratified.

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

Place: Bengaluru
Date: May 25, 2021

Pratap Rudra
Company Secretary and Legal Counsel

**NOTES:**

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as 'MCA Circulars') 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.
2. 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 circulars dated May 12, 2020 and January 15, 2021, Notice of the AGM along with Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depository Participants.
3. 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.
4. 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, Member may write to giri@integratedindia.in.
5. 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.
6. 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.
7. 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.
8. 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.
9. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
10. Since the AGM will be held through VC / OAVM, the route map is not annexed in this Notice.
11. 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 arrangement 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.
12. In line with the MCA Circulars, the Notice calling the AGM and the Annual Report for 2020-21 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.
13. 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, forms part of the Notice.
14. 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 Companies Act, 2013 are available for inspection by the Members electronically during the 42nd AGM. Members seeking to inspect such documents can send e-mail to comp.secy@astrazeneca.com.
15. 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.
16. 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.

17. 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 Companies Act, 2013, to the Investor Education and Protection Fund, established under Section 125 of the Companies Act, 2013. 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.

18. Details as required under the Listing Regulations and Secretarial Standards in respect of the Director seeking appointment/re-appointment at the AGM form an integral part of the Notice. The Directors have furnished requisite declarations for their appointment.
19. For any communication, the Members may also write to the Company's investor e-mail ID: comp.secy@astrazeneca.com.
20. Voting Through Electronic Means

In compliance with the provisions of Section 108 of the Companies Act, 2013, 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.	- 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. - 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. - 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. - Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	- Existing users who have opted for Easi/Easiest, they can login through their User ID and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. - After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. - If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. - Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in 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 provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
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 Forget User ID and Forget Password option available at above-mentioned 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 toll free no.: 1800 1020 990 and 1800 22 44 30
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 022- 23058738 or 022-23058542-43

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

- Open internet browser by typing the URL: <https://www.evoting.nsdl.com/>
- Click on 'Shareholder/Member' - 'Login'.
- 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.

- 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***

- Your password details are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- 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
- 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/emailupdtation.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. 1800-222-990 or 1800-224-430, 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 5, 2021 (9.00 a.m. IST) and ends on August 8, 2021 (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 2, 2021 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 2, 2021.
- (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 2, 2021, 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. 1800-222-990.
- (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 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. K. T. Vijayakrishna, Practicing 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) days of conclusion of the meeting, a consolidated Scrutiniser's Report of the total votes cast in favor or against, if any, to the 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 3, 2021.
- 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 time 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 call at toll free no.: 18001020990 or 1800224430.

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

Item No. 4

M/s. Price Waterhouse & Co. Chartered Accountants LLP (ICAI Firm Registration No.304026E/E-300009) Bangalore, were appointed as Statutory Auditors of the Company for a term of 5 years in the 37th Annual General Meeting (AGM). The tenure of Statutory Auditors expires at the conclusion of the ensuing 42nd AGM. In accordance with the provisions of section 139 of the Companies Act, 2013 and the rules made thereunder, M/s. Price Waterhouse & Co. Chartered Accountants LLP can be appointed as Statutory Auditors of the Company for a further term of five consecutive years.

Based on recommendation of the Audit Committee, the Board of Directors have at their meeting held on May 25, 2021, approved the re-appointment of M/s. Price Waterhouse & Co. Chartered Accountants LLP as Statutory Auditors for a term of 5 years i.e., till the conclusion of the 47th AGM. The re-appointment is subject to approval of members of the Company.

M/s. Price Waterhouse & Co. Chartered Accountants LLP is registered with the Institute of Chartered Accountants of India, engaged with several corporate houses across sectors and have a strong presence in India. The appointment is based on their auditing experience, technical knowledge, independence and capacity to handle the audit of the financial statements of the Company etc.,

The remuneration paid to the Statutory Auditors in FY 2020-21 was Rs. 53 lakhs including the out of pocket expenses. The remuneration is proposed to be retained at the same level, with powers to the Board of Directors to determine and revise the remuneration as may be deemed appropriate at the recommendation of the Audit Committee during the tenure of the auditor's appointment.

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

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

Item No. 5

Ms. Revathy Ashok was appointed as an Independent Director of the Company by the members at the 38th Annual General Meeting of the Company for a period of 5 years from December 2, 2016 to December 1, 2021.

As per Section 149 of the Companies Act, 2013 ('the Act'), an Independent Director shall hold office for a term of up to 5 years on the Board of a Company but is eligible for re-appointment on passing a special resolution by the Company for another term of up to 5 years on the Board of the Company.

Based on recommendation of the Nomination and Remuneration Committee and the approval of the Board at their meeting held on May 25, 2021 and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), Ms. Revathy Ashok, being eligible for re-appointment as an Independent Director and

offering herself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of 5 years from December 2, 2021 to December 1, 2026.

The Company has received declaration from Ms. Revathy Ashok stating that she meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations. She has also given her consent to continue to act as Director of the Company, if so appointed by the members. The Company has received notice in writing from a member under Section 160 of the Act proposing the appointment of Ms. Revathy Ashok as an Independent Director of the Company.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue the services of Ms. Revathy Ashok as an Independent Director. In the opinion of the Board, she fulfils the conditions of independence for re-appointment to the second term of 5 years.

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Ms. Revathy Ashok as an Independent Director for another term of 5 years i.e., December 2, 2021 to December 1, 2026.

Ms. Revathy Ashok is not related to any Director or Key Managerial Personnel of the Company. None of the Directors, Key Managerial Personnel and their relatives except Ms. Revathy Ashok and her relatives, are concerned or interested in the above resolution.

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

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 and 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, 2022. 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(s) recommended for appointment/re-appointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings**

Particulars	Mr. Ankush Nandra	Ms. Revathy Ashok
Age (years)	48	62
Date of Appointment/Re-appointment	May 18, 2020	December 2, 2016
Qualification(s)	MA (Oxon) – Chemistry from University of Oxford, ACA (Chartered Accountancy professional qualification) (Institute of Chartered Accountants in England and Wales)	Degree in Science and MBA
Brief profile and nature of their expertise in specific functional areas	Mr. Ankush Nandra in his current role is based in the UK. He leads the commercial finance organisation across the International Region. He is a member of both the International Leadership Team as well as the Global Finance Leadership Team. He joined AstraZeneca in 2015 as the European CFO before moving to his present role in 2018. Prior to joining AstraZeneca, he spent 16 years at GSK based in the UK, US and Australia for a variety of commercial and corporate roles. Before GSK he spent time in M&A with HSBC Investment Bank following qualification as an ACA with KPMG.	Ms. Revathy Ashok runs an Independent Consulting Practice, Iris Consulting working with mid and early stage companies, helping them build value and scale. She is an angel investor with investments in over 15 start-ups and works closely with her investee companies on various strategic matters. She has had successful leadership experience of over thirty-five years spanning variety of industries – Private Equity, software and IT enabled services, manufacturing and infrastructure in Senior Management positions handling a wide variety of portfolios, namely, Capital Raising, Business Development, Finance, Commercial and other strategic general management functions. Her immediate previous positions were Managing Director and Head Finance of Tishman Speyer in India and CFO of Syntel Inc, a Nasdaq listed IT major. She currently serves on the Boards of leading listed companies and multinationals in India and chairs some of the Audit Committees. She has previously headed the CII Finance and Taxation Committee for Southern Region and served on the Governing Council of TiE Bangalore. Her social and philanthropic commitments are manifold. In 2011, Ms. Revathy Ashok was nominated by CII as one of the top women achievers in Business in South India and in 2005, she was named as one of the 10 most powerful women in the Indian IT industry by Dataquest. She has a bachelor's degree in science from Mount Carmel College and is a gold medalist from the Indian Institute of Management, Bengaluru.
Terms and conditions of Appointment/Re-appointment	Appointment as Non-Executive Director, liable to retire by rotation.	As set out in Item No. 5 of the accompanying Notice read with the Explanatory Statement.
Remuneration last drawn	NIL	NIL*

Particulars	Mr. Ankush Nandra	Ms. Revathy Ashok
Number of meetings of Board attended during the year	5	5
Remuneration proposed to be paid	N.A.	N.A.*
Directorships held in other listed companies	NIL	- ADC India Communications Limited - Qess Corp Limited - Welspun Corp Limited
Membership/ Chairmanships of Committees of other listed companies	NIL	- ADC India Communications Limited (Audit Committee Chairperson) - Qess Corp Limited (Audit Committee Member)
Shareholding in the Company (No. of shares)	NIL	NIL
Relationship between Directors, inter-se	None	None

*Ms. Revathy Ashok is eligible for sitting fee for attending each meeting of the Board and Committees. For details of sitting fee paid in the financial year 2020-21, refer Corporate Governance Report.

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

Place: Bengaluru
Date: May 25, 2021

Pratap Rudra
Company Secretary and Legal Counsel



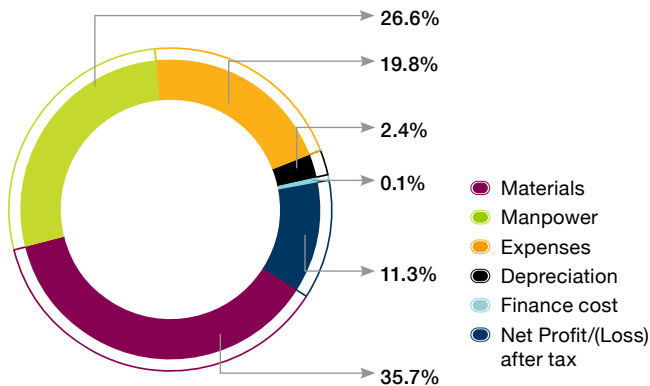
Board's Report

Your Directors are pleased to present the 42nd Annual Report together with the Audited Financial Statements of the Company for the financial year ended March 31, 2021.

FINANCIAL RESULTS

	(₹ in million)	
Particulars	2020-21	2019-20
Sales and Other Income	8,264	8,448
Profit/(Loss) Before Tax	1,271	1,140
Provision for Taxation		
- Income Tax	348	315
- Adjustment for Deferred Tax	(10)	103
Total Tax	338	418
Profit/(Loss) after Taxation	933	722
Other comprehensive income/(loss) for the year	34	(49)
Total comprehensive income for the year	967	673
Surplus brought forward from the previous year	2,324	1,682
Impact of Ind AS 116	-	(1)
Total amount available for appropriation	3,291	2,354
Appropriation made by Directors		
Transfer to General Reserve	-	-
Appropriation recommended by Directors		
Dividend	(50)	(25)
Tax on proposed Dividend		(5)
Surplus carried over	3,241	2,324

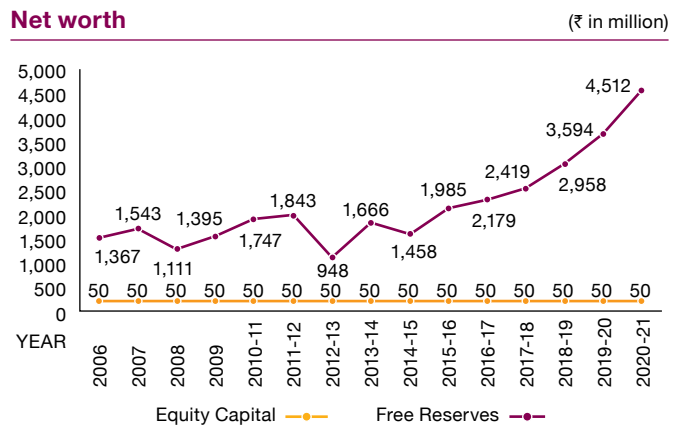
Distribution of Total Revenue (%)



Dividend

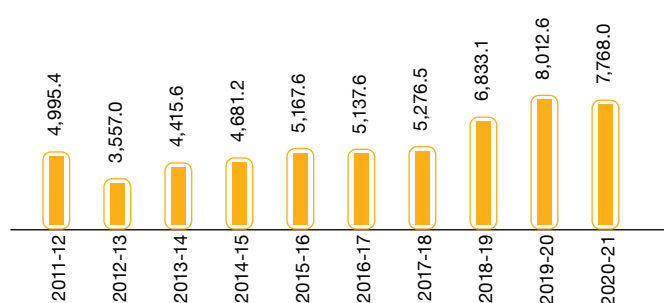
During the year, the Board recommended an interim dividend of ₹ 2/- per equity share which was paid out during the year. The Directors, having considered the interests of the Company and the business environment, have not recommended any final dividend for the financial year ended March 31, 2021.

Net worth



Sales and Marketing

Sales Performance* (₹ in million)



* including Exports

Business

The Company registered sales of ₹ 7,768 million as against last year sales of ₹ 8,013 million and achieved a total comprehensive income of ₹ 967 million, during financial year 2020-21. The performance for the current year was impacted mainly due to Loss of Exclusivity of Ticagrelor (Ex-Tica Growth of 9.3%). In addition, the global pandemic also led to significant impact on healthcare industry resulting in drastic reduction in patient footfall in hospitals coupled with postponement of elective procedures by the patients.

The growth platform of the Company keeps performing well with innovative molecules like Dapagliflozin, Osimertinib and Olaparib. The newer launches of innovative molecules like Acalabrutinib and Durvalumab has helped the Company to make an impact on the lives of cancer patients and cater to the unmet need. Brilinta (Ticagrelor) is approved for treatment in Acute Coronary Syndrome and High Risk Post MI patients and continued to register rapid growth even after Loss of Exclusivity. Brilinta continues to be the market leader by value share in Oral Anti Platelets as per IQVIA Health despite Loss of Exclusivity.

Forxiga and Xigduo in the dapagliflozin franchise, as part of the SGLT2 class of drug (Sodium Glucose Cotransporter Inhibitors), also experienced growth despite of strong headwinds from generics. The partnerships with Sun Pharma Laboratories Limited and Abbott Healthcare Private Limited has helped boost the sales of the franchise. The efficacy of the molecule and its wide acceptance among physicians and benefits to numerous diabetic patients is quite evident. Also dapagliflozin is the first and only SGLT-2 inhibitor which has been approved in current year for treatment of patient with Heart Failure with reduced ejection fraction proven to significantly reduce the risk of Cardiovascular death and hospitalisation due to Heart Failure in patient with HFrEF. Dapagliflozin has also been the first and only approved SGLT2 approved for treatment of patient with Chronic Kidney Diseases (Stage I to Stage III) paving the treatment of Chronic Kidney Diseases patients by Nephrologists.

Tagrisso (Osimertinib) is now a big brand in the area of lung cancer treatment in India and is the market leader in the EGFR TKI market as per the IPSOS report. Further Tagrisso as a monotherapy is now approved for additional indication for the adjuvant treatment after complete tumour resection in patients with early non-small cell lung cancer (NSCLC) whose tumours have epidermal growth factor receptor (EGFR) exon 19 deletions or exon 21 (L858R) substitution mutations.

Lynparza (Olaparib) which was launched in February 2019, is an Oral PARP Inhibitor used to treat PARP dependent tumors like ovarian cancer, breast cancer and for pancreatic cancer. In the year 2020, Lynparza in combination with bevacizumab got an additional approval for the first line treatment of Ovarian Cancer irrespective of BRCA status and also as a single agent for treatment of metastatic castrate resistant prostate cancer harboring HRR mutations. Lynparza is the biggest brand in the ovarian cancer market as per the IPSOS report and has been able to touch lives of more than 1,000 patients till date and continues to grow strong.

Imfinzi (Durvalumab) which was launched in October 2019 for the patients with unresectable, Stage III non-small cell lung cancer (NSCLC) whose disease has not progressed following platinum-based chemotherapy and radiation therapy (CRT), in extensive stage small cell lung cancer and in 2nd Line Urothelial cancer. With the launch of Imfinzi, a new standard of care, a multi-disciplinary approach to treat Stage III disease is being established to optimally utilise available tools of chemoradiation, immunotherapy and

surgery. Imfinzi is the first and only approved immunotherapy in Stage III Unresectable NSCLC and is the only IO in stage III Unresectable NSCLC with a category 1 recommendation as per NCCN guidelines achieving the CRT rates of 80%, ensuring the most patients are treated with a curative intent.

In the current year, the Company forayed into the Hematology segment with the launch of new product Calquence (Acalabrutinib). The drug is indicated for the treatment of patients with mantle cell lymphoma (MCL) who have received at least one prior therapy. It is also indicated for treatment of patients with chronic lymphocytic leukaemia (CLL)/small lymphocytic lymphoma (SLL). Calquence is a safer BTKi option for patients suffering with CLL and R/R MCL. Within few months of launch, Calquence has touched lives of 25 patients. Top KEEs in the country believe the need for a safer BTKi.

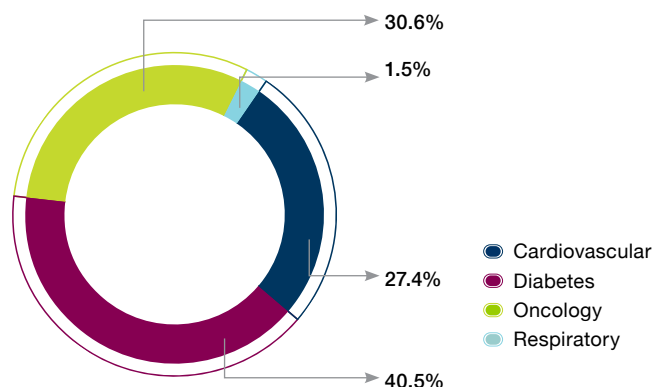
We are delighted to announce that in the Therapeutic Area of Oncology, your Company continues to be amongst the top five MNCs in India with the highest growth rate as per the latest IPSOS report.

COVID-19, a pandemic caused by the novel Coronavirus has emerged as an unprecedented challenge globally and to the pharmaceutical companies in particular, who have a responsibility towards public health. The Government of India has undertaken various measures to contain the spread of the virus including restrictions on travel, social distancing and other emergency measures. The second wave of COVID-19 outbreak has spread rapidly during the last quarter of the financial year leading to re-imposition of stringent measures across the country including the lockdown at various State levels. As a participant in this eco-system, the Company has taken number of steps to ensure continuous supply of essential medicines to its customers.

The Company's manufacturing unit continues to remain operational with strict adherence to the COVID-19 safety and hygiene protocols issued by the Government. The Company has also undertaken various measures to ensure the safety and well-being of its employees and has focused on business continuity, by ensuring that its key functions i.e. procurement, manufacturing, supply chain, marketing, finance, sales and support functions continue to operate smoothly. The Company is leveraging the IT and Digital technology to facilitate remote working for many functions.

Management has considered its liquidity position as at March 31, 2021 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

The COVID-19 Pandemic environment threw up several challenges at manufacturing facility. In the face of this adversity, the factory continued to focus on people safety as the top most priority. The factory took several measures like remote working, leveraging digital capabilities, adequate use of personal protective equipment, restricted access to site and multiple other safety measures to create safe working environment and to support the staff.

The factory was also part of We Care Programme, helping with information, connecting with doctors, addressing any concerns etc.,

Further, to meet Patients' needs and to ensure timely supply of medicines during these unprecedented times, the manufacturing operations ensured that the manufacturing activity continued by showing high level of responsiveness, agility and resilience along with optimising and reprioritising production schedules to meet manpower availability and ensure safety. Additionally, the packing of Dapagliflozin Metformin and Ticagrelor (5 SKU's) was switched to India operations site and supplies started from India site.

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.

Through focus on lean, significant tangible benefits were derived. Simplification and digitalisation moved to the next level with adoption of simple but effective tools like Batch Release Visualisation. The Company's lean journey continues to focus on uplifting people and machine capabilities.

Manufacturing operations executed several projects to meet supply, safety, quality and sustainability related requirements.

Major projects executed were:

- Bangalore Utilities upgrade project commissioning after securing permitting approvals
- Commissioning of high speed blister packing machine
- Central warehouse area flooring
- Modification of the stamping area

Pulse survey results showed strong positive results in the areas of Diversity & Inclusion, engagement and leadership. Also survey has shown significant improvement towards new ways of working under COVID-19 category. We are very proud to have such a motivated and engaged team during these unprecedented times.

People development and succession plans were well executed and as part of lifelong learning culture, several online learning modules were run for all employees and leaders. Numerous mental well-being sessions were also undertaken to cope up with challenging times.

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

Safety, Health and well-being of employees continued to be an important focus area for the Company, especially in light of the COVID situation prevailing. 'We Care For You' a major new COVID initiative was introduced to facilitate awareness, COVID screening, Home Isolation monitoring as well as hospitalisation support for both Head Office as well as Field employees. Quality PPE was distributed on a regular basis to all teams in order to provide a safe working environment for our employees. State of the art COVID precautions were put in place in the Head Office.

Human Resources and Employee Relations

The Company is committed to provide career opportunities for its employees and enable their growth and development. In the year 2020-21, to enable our workforce readiness in the new normal context, 'digital' has been a key area of focus both for Sales Force and functional teams and to support our colleagues in the digital skill-set there has been an extensive investment on capability building to strengthen virtual/remote connect skills, along with scientific and technical knowledge across the business.

There is continued focus on enabling career development and learning opportunities for the employees. During the year, we continued with India Development Week and India Power of Diversity Week with the focus to embed an inclusive culture and enable a learning environment for all employees to build capabilities and competencies aligned to our future portfolio and also reinforce our commitment to nurturing and building a diverse organisation with employees from different backgrounds and cultures. In 2020 we also transitioned from rating based Performance Management approach to Performance Development approach focused on continuous coaching and feedforward culture. The Company also continued to invest in talent development programmes to accelerate our talent pipeline for country leadership role with continued investment on education, exposure and experience through Global, Regional and Local programme. Also, our results from the biannual Employee Pulse survey has been extremely encouraging with positive movements across all key Great Place to work levers.

Number of Employees

The total number of employees of the Company as on March 31, 2021 was 1,283 as against 1,325 as on March 31, 2020.

Legal Matters

In the last year's Board's Report, members were inter-alia informed about the following legal matters:

- 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.

- (b) Writ Petition filed by the Company before the Hon'ble High Court of Karnataka challenging demand notice received from Bruhat Bengaluru Mahanagar Palike 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 financial year under review, there have been no reportable developments on the above matters.

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 2020-21.

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, 2021, 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 as at March 31, 2021 and of the profit 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 1 complaint received by the Internal Complaints Committee and the same was resolved.

The Company has complied with 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, 5 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, the 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 8, 2021. All Independent Directors attended the meeting. The Independent Directors, inter-alia, 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 Chairman of the Audit Committee. The Whistle Blowing Policy is available at <https://www.astrazeneca.in/content/dam/az-in/pdf/2019/Whistle%20Blowing%20Policy.pdf>.

**Dividend Distribution Policy:**

The Company has adopted a Dividend Distribution Policy which is annexed herewith 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 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 40th 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, is attached 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

During the year, the Company focused on its flagship initiative for prevention and early detection of cancer among women, the “Ganga Godavari Cancer Screening Programme”. Launched on World Cancer Day in 2019, in partnership with Indian Cancer Society and Charities Aid Foundation, the programme aims to conduct specialised check-up camps for screenable cancers such as oral, cervical and breast cancer for women from underprivileged

sections of the population. In the second phase of this programme, the programme has been initiated in Varanasi, Uttar Pradesh in consensus with National Health Mission and the Ministry of Health and Family Welfare. The Department of Community Medicine at the Institute of Medical Sciences, Banaras Hindu University will act as a nodal agency for this programme.

The Company also continues to make a difference through its signature global community initiative, the Young Health Programme (YHP). Founded in partnership with John Hopkins School of Public Health and Plan International, AstraZeneca global had introduced YHP in the year 2010-11 in 5 resettlement colonies in Delhi with an aim to improving the health outcomes of vulnerable youth, aged 10 – 24 by focusing on NCDs related health awareness activities. These activities are delivered through Peer Educators at Health Information Centers established by the programme and through community outreach activities. These are further supported by advocacy efforts with local stakeholders and municipal leaders. More than 26,000 youth are registered at the 15 YHP Health Information Centers in North West Delhi.

Since YHP India renewed in 2016 in India, the programme has trained more than 6,400 Peer Educators and delivered health information to more than 475,000 youth in communities around Delhi and Chennai.

YHP India is funded and supported by AstraZeneca global. The Company's contribution to YHP India includes employee engagement and disease awareness initiatives in the communities.

New Normal, Same Cancer is a public-facing campaign developed in collaboration between AstraZeneca and the global cancer patient community. The campaign has been developed alongside a steering committee of advocacy partners from around the world and raises awareness of the need for people to get back to cancer care services despite the disruption caused by the COVID-19 pandemic.

The Company aims to redefine healthcare by improving outcomes and experience of patients through the Reverse Diabetes Project. The Dutch NGO, the Joep Lange Institute, teamed up with 3 reputable organisations in India: Piramal, Asia Heart Institute, Eternal Heart Center. An Indian version of the unique Voeding Leef lifestyle programme has been developed. The programme in India is aiming at replacing a large part of human intervention by a technology platform, such that the cost effectiveness is greatly improved and such that the programme can be scaled. A valuable data set will be captured of Real World Patient Data which will be very useful for companies and institutes who want to develop new diabetes treatment, methods and devices.

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 herewith as Annexure – IV, which forms part of this Report.

Annual Return

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 <https://www.astrazeneca.in/content/dam/az-in/pdf/PDF/June21/Annual%20Return%202021.pdf>.

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 given in 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, Guarantees 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 given 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. Kimsuka Narsimhan, 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, Mr. Ankush Nandra (Non-Executive Director), will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. A resolution in this behalf is set out in the Notice of the Annual General Meeting.

Pursuant to Section 149(10) of the Companies Act, 2013, Ms. Revathy Ashok who was appointed as an Independent Director to hold office for a term of 5 years i.e. up to December 1, 2021 is eligible for re-appointment as Independent Directors for another term of 5 consecutive years. A resolution in this behalf is set out in the Notice of the Annual General Meeting. The Nomination and Remuneration Committee recommends the appointment of Ms. Revathy Ashok as an Independent Director, by duly considering the requirement of Schedule IV of the Companies Act, 2013.

Pursuant to the provisions of regulation 36 of the Listing Regulations and Secretarial Standards on General Meetings, brief resume and other disclosures relating to the Directors who are proposed to be appointed/re-appointed are given in the Annexure to the Notice of the 42nd Annual General Meeting.

The Board of Directors recommend the aforesaid appointments for approval of members.

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

As on date, Mr. Gagandeep Singh Bedi, Managing Director, Mr. Rajesh Marwaha, Chief Financial Officer and Director and Mr. Pratap Rudra, Company Secretary and Legal Counsel, are the Key Managerial Personnel of the Company.

Auditors

Statutory Auditors:

At the Annual General Meeting held on August 11, 2016, the present statutory auditors, M/s. Price Waterhouse and Co. Chartered Accountants LLP (Firm Registration No. 304026E/E-300009), were appointed as statutory auditors of the Company for a period of 5 years viz., till the conclusion of 42nd Annual General Meeting.

As such, the Board of Directors of your Company based on the recommendation of the Audit Committee, have approved the proposal for re-appointment of M/s. Price Waterhouse and Co. Chartered Accountants LLP (Firm Registration No. 304026E/E-300009), as Statutory Auditors of the Company to hold office for their second term of 5 years from the conclusion of the 42nd Annual General Meeting, subject to the approval of the Members of the Company at the ensuing Annual General Meeting.

**Secretarial Auditors:**

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., Practicing Company Secretary, to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2021. 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 and Associates, Cost Accountants, (Registration No. 000065), as Cost Auditor of the Company, for conducting the Cost Audit for the financial year 2021-22, on a remuneration as mentioned in the Notice convening the 42nd Annual General Meeting.

A Certificate from M/s. Rao, Murthy and 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 2019-20 was filed with the Ministry of Corporate Affairs on September 8, 2020.

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 and 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.

For and on behalf of the Board of Directors

Place: Bengaluru
Date: May 25, 2021

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 500 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 500 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.

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

**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.

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 plant was the first pharma facility in India to be accredited with Gold Standard Rating under LEED (Leadership in Energy and Environmental Design) certification. The facility uses energy-saving HVAC System, efficient water fixtures and an extensive energy modelling done with 33.67% reduction in power consumption. All the HVAC operations is controlled by the building management system which enables the facility to be energy efficient.

Through a Power purchasing agreement, in 2020 the Company has sourced ~ 5730000 kWh of solar energy.

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

The Company is using renewable energy concepts like:

- Sourcing solar power catering to approximately 75-80% of site power requirements
- Usage of Agro husk Boilers for steam generation
- Rainwater Harvesting
- Condensate water recovery system
- Natural air ventilation systems for Boiler house and chemical stores
- Usage of transparent roofing in engineering stores and other areas to conserve lighting load

(iii) The capital investment on energy conservation equipment:

- The Company's investment into the existing Tablet Facility includes investments made on energy conservation equipment and systems.
- Usage of power saving LED fixtures for lighting production, Central warehouse facility and street lighting.
- Project for in-house solar plant under progress.

- Project for reuse of high TDS water for cooling tower under commissioning.
- Project for usage of energy efficient LPG gas for Boiler instead of HSD under approval.
- High speed blister packing line for faster packing to save energy and resource.

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 – ₹ 317.7 million. |
| b) | Foreign exchange outgo in term of actual outflows – ₹ 2,382 million. |

On behalf of the Board of Directors

Place: Bengaluru
Date: May 25, 2021

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 2020-21, 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

- 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 AZ UK, the cost of employees deputed by the Company outside India.
- D) Duration of the contracts/arrangements/transactions: (i) 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 2020-21 is ₹ 2,188.3 million.

- (ii) The Company had sent its personnel to the Related Party viz. AZ UK, on deputation. The Related Party has reimbursed the Company, cost of deputation of such personnel. The aggregate reimbursement made by the Related Party to the Company is ₹ 5.7 million.

The aggregate value of transactions with AZ UK, a Related Party during the financial year 2020-21 was ₹ 2,194.0 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

Place: Bengaluru
Date: May 25, 2021

Narayan K. Seshadri
Chairman

Annexure IV to Board's Report**ANNUAL REPORT ON CSR ACTIVITIES**

1. A brief outline of the Company's CSR policy, including overview of projects and programmes:

During the year, the Company focused on its flagship initiative for prevention and early detection of cancer among women, the "Ganga Godavari Cancer Screening Programme". Launched on World Cancer Day in 2019, in partnership with Indian Cancer Society and Charities Aid Foundation, the programme aims to conduct specialised check-up camps for screenable cancers such as oral, cervical and breast cancer for women from underprivileged sections of the population. In the second phase of this programme, the programme has been initiated in Varanasi, Uttar Pradesh in consensus with National Health Mission and the Ministry of Health and Family Welfare. The Department of Community Medicine at the Institute of Medical Sciences, Banaras Hindu University will act as a nodal agency for this programme.

The Company also continues to make a difference through its signature global community initiative, the Young Health Programme (YHP). Founded in partnership with John Hopkins School of Public Health and Plan International, AstraZeneca global had introduced YHP in the year 2010-11 in 5 resettlement colonies in Delhi with an aim to improving the health outcomes of vulnerable youth, aged 10 – 24 by focusing on NCDs related health awareness activities. These activities are delivered through Peer Educators at Health Information Centers established by the programme and through community outreach activities. These are further supported by advocacy efforts with local stakeholders and municipal leaders. More than 26,000 youth are registered at the 15 YHP Health Information Centers in North West Delhi.

Since YHP India renewed in 2016 in India, the programme has trained more than 6,400 Peer Educators and delivered health information to more than 475,000 youth in communities around Delhi and Chennai.

YHP India is funded and supported by AstraZeneca global. The Company's contribution to YHP India includes employee engagement and disease awareness initiatives in the communities.

New Normal, Same Cancer is a public-facing campaign developed in collaboration between AstraZeneca and the global cancer patient community. The campaign has been developed alongside a steering committee of advocacy partners from around the world and raises awareness of the need for people to get back to cancer care services despite the disruption caused by the COVID-19 pandemic.

The Company aims to redefine healthcare by improving outcomes and experience of patients through the Reverse Diabetes Project. The Dutch NGO, the Joep Lange Institute, teamed up with 3 reputable organisations in India: Piramal, Asia Heart Institute, Eternal Heart Center. An Indian version of the unique Voeding Leeft lifestyle programme has been developed. The programme in India is aiming at replacing a large part of human intervention by a technology platform, such that the cost effectiveness is greatly improved and such that the programme can be scaled. A valuable data set will be captured of Real World Patient Data which will be very useful for companies and institutes who want to develop new diabetes treatment, methods and devices.

2. The Composition of the CSR Committee.

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meeting of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
(i)	Weiyang Sarah Wang	Chairperson	1	1
(ii)	Revathy Ashok	Member	1	1
(iii)	Gagandeep Singh Bedi	Member	1	1

3. The details on CSR is available at www.astrazeneca.com/india
4. Average net profit of the Company as per Section 135(5): ₹ 760.36 million
5.
 - a) Two percent of average net profit of the Company as per Section 135(5): ₹ 15.21 million
 - b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
 - c) Amount required to be set off for the financial year, if any: Nil
 - d) Total CSR obligation for the financial year 2020-21: ₹ 15.21 million



6. 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
16.10 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 Number
1	Ganga Godavari Cancer Screening	Promoting Health Care	No	PAN India		>1 year	10.10	10.10	N.A.	No	CAF India	CSR00001692
2	Reverse Diabetes Project	Promoting Health Care	No	Rajasthan	Jaipur	>1 year	2.90	2.90	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 (₹ in million)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration
1	COVID-19 response	Promoting Health Care	No	Uttar Pradesh, Chhattisgarh, West Bengal, Telangana, Kerala, Assam	Across states	3.10	No	CAF India	CSR00001692

d) Amount spent in Administrative Overheads: NIL

e) Total amount spent for the Financial Year: ₹ 16.10 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)	15.21
(ii)	Total amount spent for the Financial Year	16.10
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.89
(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 commenced	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): N.A.

9. The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Gagandeep Singh Bedi

Managing Director

Place: Bengaluru

Date: May 25, 2021

Weiying Sarah Wang

Chairperson of CSR Committee

**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**

1. The ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year	Ratio
(a) Gagandeep Singh Bedi, Managing Director	48:1
(b) Rajesh Marwaha, Whole-Time Director	27:1

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.

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any in the financial year	Ratio
(a) Gagandeep Singh Bedi, Managing Director	6%
(b) Rajesh Marwaha, Chief Financial Officer and Director	10%
(c) Pratap Rudra, Company Secretary and Legal Counsel	7%

3. Percentage increase in the median remuneration of employees in the financial year: 8%.
4. Number of permanent employees on rolls of the Company as on March 31, 2021: 1,283
5. 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 8%. No exceptional circumstances in increase of remuneration. The increase is as per Company's increment guidelines.
6. Affirmation that the remuneration is as per remuneration policy of the Company: It is affirmed that the remuneration is as per remuneration policy of the Company.

On behalf of the Board of Directors

Place: Bengaluru
Date: May 25, 2021

Narayan K. Seshadri
Chairman

Annexure VII to Board's Report

Management Discussion and Analysis Report

Indian Economy

India is the 6th largest economy in terms of 2020 GDP rankings, with an estimated GDP of \$ 2.7 trillion.⁽¹⁾ When adjusted for purchasing power, it is ranked third - only behind China, and United States.⁽¹⁾ India, one of the fastest growing major economies in recent times, is estimated to have experienced a GDP contraction of 7.8% for the year 2020.⁽¹⁾ This is in stark contrast to the pre-pandemic projections of GDP growth of 6.1%.⁽²⁾ India is one of the worst impacted major economies in terms of GDP growth. However, in terms of future estimated growth, India will continue to remain as the fastest growing major economy in the coming years - with a projected GDP growth averaging 7% a year in the years 2021 to 2026.⁽¹⁾

Increase in private consumption, and investments is expected to drive growth amidst an improving business environment. In terms of ease of doing business - India has moved up in the rankings by 14 spots since last year and is currently ranked 63.⁽³⁾ Key initiatives and structural reforms such as tax holiday for start-ups, Make in India and Aatmanirbhar Bharat, outlays for MSME support, proposal for increased bank recapitalisation, increased digitisation of government services and higher overall adoption of technology driven solutions, have exerted a positive influence and will continue to boost the economy amidst a conducive financing environment of lower interest rates.⁽⁴⁾ While the broader economy moves towards reopening, the current COVID-19 resurgence does continue to pose significant headwinds for the economy.

Indian Healthcare Environment

The broader healthcare sector comprises of healthcare delivery, pharmaceuticals, diagnostics, medical devices, equipment and supplies, clinical trials, and health insurance segments. The industry is forecasted to grow at 22% annually, and touch \$ 372 billion in 2022.⁽⁵⁾

Notable long-term trends contributing to increasing healthcare expenditure include: rising incomes, aging demographics, the growing burden of Non-Communicable Diseases (NCDs), increased disease awareness and diagnosis rates, increasing public health expenditure geared towards improving access to healthcare, expansion of healthcare infrastructure and rising health insurance coverage. Other notable long-term trends gaining traction which are bound to positively impact the industry include- investment in home healthcare services, increase in luxury healthcare offerings by hospitals, increasing penetration of telemedicine, and overall higher adoption of technology in healthcare delivery.^(5, 6)

While the COVID-19 resurgence is expected to impact growth negatively, it will however, result in creation of certain pockets of expenditure directly related to managing COVID-19. This will take the form of vaccinations, diagnostics, medical devices and supplies, increased hospitalisations, and therapeutic drugs for treatment. A significant allocation of ₹ 35,000 crore has been made towards COVID-19 vaccinations in this year's budget (FY21-22).⁽⁷⁾

Out of pocket expenditure continues to account for majority of the healthcare expenditure; around 65% of national healthcare costs are paid directly from the patient's pocket.⁽⁸⁾ The healthcare expenditure

at 4% of GDP is still considered low by global standards.^(6,7) Public healthcare expenditure during 2019-2020 stood at 1.5% of GDP, significantly lower than the world average of 6%.⁽⁶⁾ Nonetheless, National Health Policy (NHP) 2017 envisages raising it to 2.5% by 2025. Estimated public expenditure towards healthcare (union budget and does not include additional state related provisions) in FY 2020-21 has increased significantly from prior estimates of ₹ 67,485 crore to ₹ 82,445 crore, directly attributable to the pandemic. This constitutes a 30% increase from levels of FY 2019-20. The budgeted expenditure for health in FY 2021-22 is ₹ 74,602 crore – close to 11% increase from the pre-COVID budget allocation for FY 2020-21.⁽⁹⁾ Sizeable allocation of ₹ 2,850 crore has been granted to the Pradhan Mantri Swasthya Suraksha Yojana in FY21-22⁽⁷⁾; the funds will see utilisation towards expansion of healthcare infrastructure, and augmenting the capacity of quality medical education. ₹ 6,400 crore has been allotted for the flagship-Ayushman Bharath Scheme (PMJAY) in the current fiscal year. This represents a sizeable increase of two fold over the last fiscal year's actual expenditure of ₹ 3,200 crore.⁽⁷⁾ As of April 27, 2021, close to 160 million Ayushman cards have been issued. The scheme has also supported close to 18 million hospital admissions till date.⁽¹⁰⁾ The inclusion of COVID-19 related care into the scheme has helped re-invigorate registrations, and has been widely appreciated. The allocation for the National Health Mission (NHM) for FY 2021-22 was raised to ₹ 36,576 crore from the last budget's initial allocation of ₹ 33,400 crore.⁽⁷⁾ Allocation to the newly introduced National Digital Health Mission under the aegis of the NHM has been kept consistent at ₹ 30 crore similar to last year's allocation. Another notable healthcare initiative which saw an increase in allocation includes The National Programme for Prevention and Control of Cancer, Diabetes.⁽⁷⁾

Indian Pharmaceutical Market (IPM)¹¹

The estimated size of IPM for FY 2020-21 is ₹ 156,797 crore (\$ 20.9 billion). The growth of 4.3% (value, FY 2020-21 over FY 2019-20) is a significant reduction from erstwhile levels of 11% growth (value, FY 2019-20 over FY 2018-19). This decline in growth is directly attributable to the pandemic owing to delays/constraints from availing timely medical treatment, and interventions – in hopes of reducing exposure to COVID-19. Indian companies account for 81% share of the market (value) with a growth of 4.7% (value, FY 2020-21 over FY 2019-20), while the MNCs grew at 2.6%;

Most of the therapeutic areas in which AstraZeneca Pharma India Limited (The Company) is actively operating in has recorded growth higher than the market. These comprise of the therapeutic areas of Diabetes, Cardiovascular, and Oncology, all of which have registered higher than average market growth of 4.7% for FY 2020-21.

Pharmaceutical Business Environment – Outlook

The Indian pharmaceutical market is forecasted to grow at a CAGR of 9.3% (+/-2%) between FY 2020-21 to FY 2025-26 and touch ₹ 244,590 crore for FY 2025-26.⁽¹⁸⁾ Some of the factors that would drive growth include: aging demographics, rising incidence and diagnosis of NCDs, public initiatives to improve access to healthcare and medicines, expansion of healthcare delivery infrastructure,



quicker regulatory approvals, increasing health insurance coverage, proliferation of co-marketing deals, and increasing adoption of digital solutions in healthcare delivery.^(5, 6)

Key risks that could serve as a dampener for growth include challenges due to the current COVID-19 resurgence, and continued downward pressure on prices owing to frequent inclusions into NLEM.

Growth and Demand Drivers:

- Increasing incidence and diagnosis of NCDs:** India harbours a high NCD burden; after China, India has the largest diabetic population. According to the statistics published by the International Diabetes Foundation (IDF) around 77 million people in the country are afflicted with diabetes. It is estimated that only 50% of the diabetes cases are currently diagnosed.⁽⁶⁾ This number is expected to rise to 134 million by 2045.⁽¹²⁾ The prevalence of cancer has been increasing rapidly; close to 1.39 million new cases were reported in 2020, according to the National Cancer Registry Programme. The incidence of new cases of cancer is expected to increase to 1.57 million in 2025. Cardiovascular diseases continue to be India's biggest killer –contributing to 28.1% of total deaths.⁽¹³⁾ It is estimated that over 200 million people suffer from hypertension in the country. With the increased burden of NCDs, government and the pharmaceutical companies have been implementing well thought measures to improve the diagnosis rate. The NHP 2017, targets a 25% decrease in premature mortality from cardiovascular diseases, cancer, diabetes and chronic respiratory diseases by 2025. Initiatives such as the National Programme for the Prevention and Control of Cancer, Diabetes, Cardiovascular Disease and Stroke (NPCDCS), and India Hypertension Management Initiative have helped in the early screening, diagnosis, and management of NCDs. Pharmaceutical companies too have been active in raising awareness, and helping in the management of NCDs. Some of the AstraZeneca led initiatives helping to raise awareness and improve diagnostics include the Ganga Godavari Cancer screening programme, the Healthy Lung initiative, and the Metabolic Centers of Excellence.
- Public initiatives to improve access to healthcare:** Several initiatives have been implemented by the government to help realise the NHP 2017 goals of increasing healthcare coverage, and reducing the burden of healthcare costs on the patient. Ayushman Bharath, the government's flagship healthcare initiative continues to gain traction. There's been a twofold increase in the budget allocation for FY 2021-22 to ₹ 6,400 crore from ₹ 3,200 crore in FY 2020-21. As of April 27, 2021, close to 160 million Ayushman cards have been issued.⁽¹⁰⁾ Around 75,550 Health and Wellness Centers have been created as of date – around halfway through in achieving the overall target of 1,50,000 centers. Sizeable allocations in this year's budget towards the Pradhan Mantri Swasthya Suraksha Yojana, and the National Health Mission (NHM) will aid in the expansion of healthcare infrastructure, improving access to healthcare, combating the NCD burden and in fostering general wellness.
- Expansion of private healthcare infrastructure:** Several key private chains are expected to resume plans of expansion amidst improving occupancy rates, and positive financial climate.^(15,16) Tier-2, and Tier-3 expansion also remains a key
- Increasing health insurance coverage:** The biggest impetus is expected to come from the continued traction of PMJAY's health insurance scheme (Ayushman Bharath Scheme) with its ambitious long-term target of covering around 500 million people. The private health insurance sector is also 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 increase in the range and sophistication of plans offered in the private health insurance market. Gross direct premium income underwritten by health insurance grew 17.16% y-o-y to ₹ 51,637.84 crore (\$ 7.39 billion) in FY 2019-20.⁽⁵⁾
- Quicker regulatory approvals:** The New Drugs and Clinical Trials Rules 2019, notified by the Ministry of Health and Family Welfare (MOHFW), will expedite approval of certain drugs if the drug is already authorised in countries recognised by the Central Drugs Standard Control Organisation (CDSCO). These measures will encourage the early launch of innovative drugs in India at an early stage in their worldwide rollout. Along with provisions to streamline and accelerate the clinical trial application process, local trial waivers will be granted under certain conditions, provided drugs are already approved in countries recognised by Indian regulators.⁽⁶⁾ Despite the challenges imposed by the pandemic, The Company has secured quick approvals for a couple of new indications – some, even ahead of its Western counterparts. Some of the notable label extensions include the - use of Forxiga (Dapagliflozin) in heart failure, and Chronic Kidney Disease (CKD) indications, use of Tagrisso (Osimertinib) in early stage Non-Small Cell Lung Cancer (NSCLC) in patients with positive EGFR mutation, use of Lynparza (Olaparib) in pancreatic, prostate and ovarian cancers, and use of Imfinzi (Durvalumab) in patients with extensive stage Small Cell Lung Cancer (SCLC).
- Expansion of pharma chains, and increasing proliferation of e-pharmacies:** E-pharmacy segment in India is expected to reach ₹ 25,000 crore (\$ 3.6 billion) in revenues by 2022, growing at a CAGR of 63 per cent from 2018.⁽⁶⁾ The e-pharmacies' share of the retail market is currently around 5%, while some cities demonstrate higher share. The pandemic has resulted in accelerating the behavioural shift to using e-commerce based services such as e-pharmacies. Several prominent pharmaceutical chains like Apollo Pharmacies Ltd, and e-pharmacy players like Medplus, and NetMeds are planning on rapid expansion and adding newer cities to its network of coverage.⁽⁶⁾ Amidst the COVID-19 crisis, all the e-pharmacy platforms are observing an unprecedented surge in sales. Market research also clearly shows the increasing preference for using e-pharmacies post lockdown – in both metro as well as tier-1 cities.⁽²¹⁾

7. **COVID-19 related therapeutic offerings:** while the pandemic has resulted in subdued overall growth – owing to opting out/delays in seeking timely medical care, it would however create pockets of increased expenditure in the form of Vaccines and COVID-19 treatments – both current treatments, like Remdesivir, as well as newer launches. An estimated ₹ 35,000 crore has been set aside in this year's budget just for COVID-19 vaccinations.⁽⁷⁾
8. **Proliferation of co-marketing agreements:** co-marketing arrangements continue to see traction even amongst COVID-19 dedicated therapeutic offerings. In recent years numerous co-marketing deals have been executed for new drugs and are increasingly being observed at an earlier stage. Leading local companies exhibit large size and reach of salesforce making them an attractive partner for foreign multinationals looking for quick market penetration for new brands or an increase in sales for more established products. This mutually beneficial alliance is only expected to intensify in the coming years.⁽⁶⁾
9. **Increasing adoption of tele-medicine and digital platforms:** The COVID-19 pandemic and the constraints imposed have resulted in utilisation of digital modes of engagement with Healthcare Professionals (HCPs). Research has shown that majority of the HCPs prefer to maintain digital connect with pharmaceutical companies during periods of lockdown, and this behaviour shift of using digital platforms for communication is expected to be permanent.^(19,20) 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. 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 adoption of newer digital platforms in healthcare delivery.

Risks/Threats:

1. **COVID-19 related challenges:** While India has been eyeing to become more self-reliant in terms of sourcing pharmaceutical raw material, it still manufactures less than 30% of its API requirements domestically.⁽¹⁷⁾ This leaves companies exposed to fluctuations in API import prices and risk of drug supply continuity. Additionally, the resurgence of COVID-19 places increased stress on both existing healthcare personnel and infrastructure, and in some cases leaves little capacity for managing other conditions. It is expected that patients might again delay/avoid seeking timely medical care to minimise risk of exposure and this has shown to negatively impact growth.
2. **Intensifying downward pressure on prices⁽⁶⁾:** 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) as the list is updated more frequently but could 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 ₹ 8,135.6 million out of which sales of pharmaceutical products is ₹ 7,768 million (95.5%), sale of services to related parties – clinical trials is ₹ 317.7 million (3.9%) and Income from grant of exclusive distribution rights is ₹ 50.0 million (0.6%).

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

Outlook

In FY 2021-22, The Company will continue to prioritise investments in its focus areas in-line with its global growth platforms. Accelerating new products remains a key priority and the Company is committed to maintaining timelines of key regulatory milestones to align with the global pipeline – subject to conduct of clinical trials, regulatory approvals and reasonable commercial viability. Despite the pandemic related disruptions over the past 12 months, The Company has been able to secure quick regulatory approvals for a couple of key indications. In July of last year, The Company secured the marketing authorisation (MA) for use of Forxiga (Dapagliflozin) in the treatment of Heart Failure (HF) – making India the 4th country in the world to have secured the HF indication. Following the earlier than anticipated closure of the DAPA-CKD trial on account of Dapagliflozin demonstrating overwhelming benefits in Chronic Kidney Disease (CKD) patients, India was able to secure the MA for use of Forxiga (Dapagliflozin) in patients with CKD in Q1 2021. Therapeutic options which can reduce mortality, and at the same time improve the quality of life of patients are limited in both HF, and CKD, and as such constitute a high unmet need. We believe that through this label expansion for Forxiga, we have been able to introduce a new, and promising therapeutic option in the management of HF and CKD. We have also made new strides in tackling the burden of severe Asthma in India; In December last year, we had secured the MA for use of Fasenra (Benralizumab) in the management of severe uncontrolled Asthma. In Oncology, as well, we have been able to secure a number of key approvals. Calquence (Acalabrutinib), launched in October last year, introduces a new and safe treatment in the space of Non-Hodgkin's Lymphoma. The label expansions for Tagrisso (Osimertinib), Lynparza (Olaparib), and Imfinzi (Durvalumab) will have profound implications in improving the prognosis of cancer patients in the country.

The Therapeutic Areas (TAs) of Diabetes, Cardiovascular (CV), and Oncology in which the Company is active in, has recorded higher than average market growth (value, FY 2020-21 vs FY 2019-20). Inhaled respiratory, traditionally one of the fastest growing TAs within the Indian pharm market, has just managed to record growth in line with the overall market this fiscal year. This can be attributed to increased time spent indoors, and an overall restricted exposure to potential asthma triggers.

India harbours a high diabetic burden. India 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.⁽¹²⁾ Total Anti-diabetic therapy, valued at ₹ 15,679 crore (FY 2020-21) is one of the largest categories of the Indian pharmaceutical market, and at 9% growth



(value, FY 2020-21 over FY 2019-20) is amongst the fastest growing therapeutic areas. The Oral Anti-diabetic (OAD) segment constitutes close to 75% of the total anti-diabetic segment and is currently valued at ₹ 11,664 crore.⁽¹¹⁾

The Company has a strong portfolio of oral antidiabetic drugs with presence in 2 key drug classes: - SGLT2 inhibitors, and DPP4 inhibitors. SGLT2 inhibitors has been the fastest growing class of OAD in recent years and continues to be the category leader in terms of growth, with a growth rate of 26% for FY 2020-21.⁽¹¹⁾ It accounts for 7% of the OAD market, and is the third largest class of OAD-after Sulphonylureas (SU) and DPP4 Inhibitors. ⁽¹¹⁾ Dapagliflozin (includes combinations), the Company's SGLT2i, is one of the most widely prescribed SGLT2i drugs, and is the second largest SGLT2 inhibitor by value. The Company's Dapagliflozin offering consists of the brands of Forxiga, Xigduo and Qtern. These are amongst the top prescribed SGLT2i brands in the country, and enjoy good equity amongst HCPs including Key Opinion Leaders (KOLs). The Company's DPP4 offering- comprises of the brands of Onglyza (Saxagliptin) and Kombiglyze (Saxagliptin/ Metformin). The Company's diabetic portfolio with its strong 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 diabetic patients.

Heart failure (HF) is the no.1 cause of hospitalisation in the world, and has a prognosis worse than even certain cancers. The landmark DAPA-HF trial demonstrated that Forxiga is associated with significant mortality benefits and improvements in quality of life for HF patients. The expansion of the label to include treatment for heart failure patients constitutes a paradigm shift in the management of heart failure. Forxiga (Dapagliflozin) is the first and only approved SGLT2i for the treatment of HF in the country. In addition to HF, CKD is also associated with high morbidity and mortality. In India, it is estimated that over a 100 million people suffer from Chronic Kidney Disease.⁽²²⁾ The overwhelming clinical evidence of Forxiga for improved outcomes in CKD patients, and the subsequent label expansion for use in CKD will advance the pharmacological management of CKD in the country.

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 management of Acute coronary syndrome (ACS), continues to remain the market leader. The past year has witnessed the launch of 30+ generics following the patent expiry of Ticagrelor in 2019. Brilinta, by virtue of its superior value proposition, hopes to sustain its market leadership and save even more patient lives in the coming year.

The Company's respiratory business has presence in two key indications: Asthma and COPD. India has a very high prevalence and incidence of both Asthma and COPD. Poor air-quality on account of pollution in some of the major cities continues to be a major cause for the high chronic respiratory disease burden in the country. Symbicort- the Company's ICS / LABA inhaler with an innovative delivery mechanism, has been one the fastest growing ICS / LABA brands in recent years. Amongst MNCs in the representative, chronic respiratory segment in the country, AstraZeneca continues to be the fastest growing company.⁽¹¹⁾ Furthermore, a strong product pipeline in respiratory is expected to drive significant growth in the coming years- subject to successful clinical trials, regulatory approvals and

reasonable commercial viability. Fasenra (Benralizumab)- a biologic used in the management of severe asthma, launched in Q1 2021 hopes to alleviate the burden of severe uncontrolled asthma in the country.

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 current oncology portfolio is active in the areas of women's cancer, Lung cancer, Prostate, and Hematology. The entire portfolio has shown high double digit growth in terms of value with Tagrisso and Lynparza being major contributors. Tagrisso (Osimertinib) is the leading brand in lung cancer by sales value and has recorded the fastest growth amongst recent launches across tumour types in Oncology. Lynparza (Olaparib) is well poised to set new benchmarks of growth – building on its recent approvals in pancreatic, ovarian and prostate cancer. Imfinzi (Durvalumab) continues to recruit newer patients and make significant contributions to the portfolio. Calquence (Acalabrutinib) launched in October 2020, marks our foray into the space of hemato-oncology. There has been growing preference for Calquence amongst top KOLs over first generation BTKi. The Company hopes to continue leveraging upcoming clinical trials to expand its existing offerings in newer indications, and also tap into the robust global oncology pipeline and introduce newer therapeutic offerings to help our patients defeat cancer.

The COVID-19 pandemic has resulted in global disruption of supply chains. Traditional models of highly optimised and lean supply chain are at odds with the resilience and redundancy required to deal with unprecedented events such as the pandemic. The Company has been quick to respond to the calling. Supply chain teams have been working round the clock, to ensure adequate and timely supply of life saving medicines even in far flung areas of the country. In order to help our distributors with planning, and to cope with the crises – the Company had extended the credit period during the initial months of the pandemic. In view of the lockdown and curfew announced across many states in India, the Company has undertaken and strengthened various measures to ensure the safety and well-being of its employees and continues to focus on ensuring availability of medicines across the country. All AstraZeneca employees including our field force have been advised to restrict travels, and have been urged to continue working from home. For supply-chain or manufacturing related roles that cannot be performed from home, the Company has laid down protocols with regards to routine sanitation, social distancing and a graded return-to-work policy. As part of our response to navigating the new normal and connecting with our customers we augmented the digital capabilities of our field force- to enable remote detailing to healthcare professionals. Research has hinted that majority of the doctors intend on continuing to use digital engagement with sales representatives.⁽¹⁹⁾ Other initiatives include investing in new platforms to communicate and exchange scientific information with healthcare professionals, and collaborating with telemedicine providers and e-pharmacies. We have leveraged digital platforms and technology like Virtual Reality (VR) to conduct completely virtual events such as the annual sales conference, and our product launches.

The Company is committed to leveraging partnerships- (both public and private), and technology driven healthcare solutions to increase access to our therapies and to improve the overall patient experience- from prevention to diagnosis, treatment, and post-treatment. The Company's Metabolic Centers of Excellence,

such as the one set up in Kerala, aims at providing comprehensive solutions for the management of diabetes and continues to positively impact the community with well over a lakh patient lives touched till date (as of Apr'21). In November 2020, The Company signed a MoU with the Research Society for Study of Diabetes in India (RSSDI). This MOU is aimed at digitising and driving correct awareness of Diabetes amongst people to prevent complications arising from the uncontrolled incidence of the disease. In March of this year, The Banaras Hindu University (BHU) signed a MoU with the Indian Cancer Society (ICS) under the aegis of the 'Ganga Godavari Cancer Screening Programme' – A partnership between AstraZeneca and ICS, and the Charities Aid foundation which aims to spread awareness, and facilitate early detection of Oral, Breast and Cervical Cancers at early stages amongst women. The first phase of this programme was implemented in Maharashtra, Tamil Nadu, and Karnataka. Up till now more than 76 camps have been conducted under the Ganga Godavari Programme and around 4,000 plus beneficiaries have been registered. All the positive cases have been referred to partner tertiary care hospitals for further treatment. Another public initiative intended for cancer patients is the New Normal, Same Cancer campaign. This is a public-facing campaign developed in collaboration between AstraZeneca and the global cancer patient community. The campaign has been developed alongside a steering committee of advocacy partners from around the world and raises awareness on the need for people to get back to cancer care services despite the disruption caused by the COVID-19 pandemic.

In our pursuit of advancing adoption of innovative healthcare technologies we had partnered with India-Sweden Healthcare Innovation Centre in 2019 to facilitate a three-pronged collaboration between industry, academia, and government. Last year's health innovation challenge has seen several cutting edge healthcare solutions and has announced 14 start-ups as winners. These start-ups seek to tackle some of the truly pressing challenges in the management of the NCDs through innovative solutions- each with a potential to disrupt the space. These start-ups will be supported by the India-Sweden Healthcare Innovation Centre to further scale up and to bring their solutions to market. The Company will continue to leverage the healthcare innovation hub – a collaborative undertaking between NASSCOM and AIIMS Jodhpur to incubate tech driven healthcare solutions aimed at improving patient outcomes. Project Heartbeats- which is leveraging cloud-based AI diagnosis for heart attack patients and enabled by technology partner TRICOG is estimated to have saved over thousands of lives. The Company has also collaborated with innovative health technology players to empower HCPs with beyond the pill solutions geared towards fostering a more holistic management of chronic ailments – such as Diabetes, and Cardiovascular Diseases. The Company has also initiated and launched several digital interventions geared towards simplification, seamless collaboration and improving overall productivity of its employees.

The Company will continue to emphasise on 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 spends. 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

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 2020-21 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, 2021, the Company's total income was at ₹ 8,264.0 million as against ₹ 8,448.0 million reported in the corresponding previous year.

The total cost was at ₹ 6,993.1 million during the year as compared to ₹ 7,308.3 million in the previous year. The profit after tax was ₹ 933.0 million during the year compared to ₹ 722.1 million in the previous year.

Significant changes in Financial Ratios

During the year, there were no significant changes in the financial ratios of the Company, which are more than 25% as compared to the previous year.

In relation to the Return on Net Worth, the below table shows the change as compared to the previous year:

Financial Ratio	2020-21	2019-20	Change	Reason for change
Return on Net Worth	21%	20%	1%	Increase is on account of savings in expenses

Development in Human Resources/Industrial Relations

We continued our focus on enabling career development and learning opportunities for our employees (1,283 as on March 31, 2021). During the year, we continued with India Development Week and India Power of Diversity Week with the focus to embed an inclusive culture and enable a learning environment for all employees to build capabilities and competencies aligned to our future portfolio and also reinforce our commitment to nurturing and building a diverse organisation with employees from different backgrounds and cultures. In 2020 we also transitioned from rating based Performance Management approach to Performance Development approach focused on continuous coaching and feedforward culture. The Company also continued to invest in talent development



programs to accelerate our talent pipeline for country leadership role with continued investment on education, exposure and experience through Global, Regional and Local programme. Also, our results from the biannual Employee Pulse survey has been extremely encouraging with positive movements across all key Great Place to work levers.

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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6. IQVIA India Prognosis Report Q1-2020
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10. <https://pmjay.gov.in/> (accessed, April 27, 2021)
11. IQVIA Mar'21 TSA dataset
12. International Diabetes Federation (IDF), (idf.org, accessed April 27, 2021)
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17. PWC report- Reviving India's API Industry – From the viewpoint of the COVID-19 outbreak
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19. Market research: COVID-19 Oncology Impact Study Wave 2 , IPSOS
20. Market research: Doctor engagement during COVID-19 period, Apr'20, IQVIA
21. Market research: An India-wide survey conducted by IQVIA covering responses from 1500+ patients across 10 indications in metro and tier-1 towns, Jun'20
22. Epidemiology and risk factors of chronic kidney disease in India – results from the SEEK, A.K Singh et. al,

Annexure VIII to the Boards' 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 the Securities and Exchange Board of India. The Senior Management Team headed by the Managing Director is 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) 5 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 18, 2020, August 10, 2020, November 5, 2020, February 8, 2021 and March 11, 2021.

- (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, 2021 are furnished herein below:

Name of the Director	Category	Number of Board Meetings attended during the financial year 2020-21	Whether attended last AGM	Number of Directorships and Committee Memberships/Chairmanships excluding AstraZeneca Pharma India Limited as at March 31, 2021		
				Other Directorships [#]	Committee Memberships [§]	Committee Chairmanships [§]
Narayan K. Seshadri, Chairman	Non-Executive Independent Director	5	Yes	6	6	4
Revathy Ashok	Non-Executive Independent Director	5	Yes	7	6	4
Kimsuka Narsimhan	Non-Executive Independent Director	5	Yes	1	1	-
Ankush Nandra*	Non-Executive Director	5	Yes	-	-	-
Weiyang Sarah Wang	Non-Executive Director	4	Yes	-	-	-
Gagandeep Singh Bedi	Managing Director	5	Yes	-	-	-
Rajesh Marwaha	Whole-Time Director	5	Yes	-	-	-
Ian John Parish**	Non-Executive Director	-	-	-	-	-

*Mr. Ankush Nandra was appointed as a Director w.e.f. May 18, 2020

**Mr. Ian John Parish resigned as a Director w.e.f. May 18, 2020

[#]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
Kimsuka Narsimhan	Bharti Airtel Limited	Non-Executive Independent Director
Ankush Nandra	-	-
Weiying Sarah Wang	-	-
Gagandeep Singh Bedi	-	-
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:
- Healthcare Industry experience i.e., relevant to an industry understanding and review of the business and strategy.
 - Leadership i.e., in specific to successfully advise and oversee the Company's business performance and represent shareholder interests.
 - Corporate Governance and Public Company Board i.e., having relevant background and knowledge to perform oversight and governance roles.
 - Finance and Accounting i.e., analyzing the financial statement and consider financial transactions.
 - 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.

Director	Healthcare Industry Experience	Leadership	Corporate Governance and Public Company Board	Finance and Accounting	Government and Regulatory
Narayan K. Seshadri	✓	✓	✓	✓	✓
Revathy Ashok		✓	✓	✓	✓
Kimsuka Narsimhan		✓	✓	✓	✓
Ankush Nandra	✓	✓	✓	✓	
Weiying Sarah Wang	✓	✓		✓	✓
Gagandeep Singh Bedi	✓	✓	✓	✓	✓
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 Act.
 - 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 there on.
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. Revathy Ashok is the Chairperson of the Audit Committee and was present at the previous Annual General Meeting of the Company held on August 10, 2020.

(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 18, 2020, August 10, 2020, November 5, 2020 and February 8, 2021.



- (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 2020-21
Revathy Ashok, 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:

- 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;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- 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;
- 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, 2021, 3 meetings of the Nomination and Remuneration Committee of the Board were held i.e., on May 18, 2020, February 8, 2021 and March 11, 2021.

- (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 2020-21
Kimsuka Narsimhan, Chairperson	Non-Executive Independent Director	3
Narayan K. Seshadri	Non-Executive Independent Director	3
Ankush Nandra*	Non-Executive Director	2
Weiyang Sarah Wang	Non-Executive Director	3

*Mr. Ankush Nandra was appointed as a member of the Committee w.e.f. May 18, 2020

- (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.

- (v) Remuneration to Directors during financial year 2020-21:

- a) Details of remuneration paid to the Non-Executive Directors during the financial year ended March 31, 2021:

Name of the Director	Sitting Fees	Commission	(in ₹)
			Total
Narayan K. Seshadri	1,200,000	-	1,200,000
Revathy Ashok	1,100,000	-	1,100,000
Kimsuka Narsimhan	900,000	-	900,000
Ankush Nandra	-	-	-
Weiyang Sarah Wang	-	-	-
Ian John Parish*	-	-	-

*Mr. Ian John Parish resigned as a Director w.e.f. May 18, 2020

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, 2021:

Managing Director

Name of the Director	Salary	Perquisites	P.F and other Funds	(in ₹)
				Total
Gagandeep Singh Bedi	40,854,818	5,192,796	3,560,869	49,608,483

Whole-Time Director

Name of the Director	Salary	Perquisites	P.F and other Funds	(in ₹)
				Total
Rajesh Marwaha	23,023,005	3,201,664	1,222,835	27,447,504

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 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 and Share Transfer Agent.

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 pending
Direct	-	-	-	-	7	7	-
Through Stock Exchange/SEBI	-	-	-	-	-	-	-

c. Share Transfer Committee

The Board also has constituted a Share Transfer Committee comprising of Mr. Gagandeep Singh Bedi, Managing Director, Mr. Rajesh Marwaha, Chief Financial Officer and Director and Mr. Pratap Rudra, Company Secretary and Legal Counsel. The Chairman is elected at each meeting.

The Share Transfer Committee deals with matters relating to transfers/transmissions/transposition/consolidation/deletion of name/issue of share certificates in exchange for sub-divided/ consolidated/defaced share certificates/issue of duplicate share certificates, re-materialisation of shares, 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.

- 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. Weiyang Sarah Wang, Non-Executive Director. Mr. Pratap Rudra, Company Secretary and Legal Counsel is the Compliance Officer.

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

Name of the Member	Position	Category
Weiyang Sarah Wang	Chairperson	Non-Executive Director
Revathy Ashok	Member	Non-Executive Independent Director
Gagandeep Singh Bedi	Member	Managing Director
Rajesh Marwaha	Member	Chief Financial Officer and Director

During the financial year, 1 meeting of the Committee was held on November 5, 2020, attended by all the members except Ms. Weiyang Sarah Wang.

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 and Share Transfer Agents, the status of investor's grievances for the financial year ended March 31, 2021 is as follows:

6. Risk Management Committee

The Board of Directors at its meeting held on February 6, 2019, constituted a Risk Management Committee. The terms of reference of the Committee include overseeing the Company's risk management process and controls, setting strategic plans and objectives for risk management, risk philosophy and risk minimisation including cyber security, reviewing compliance with policies implemented by the Company, reviewing risk assessment of the Company annually and exercising oversight of various risks.

Ms. Kimsuka Narsimhan, Independent Director is the Chairperson of the Committee. Other members of the Committee are Mr. Gagandeep Singh Bedi, Managing Director, Mr. Rajesh Marwaha, CFO & Director, Ms. Mina Patel, Site Lead, India Operations and Ms. Amarpreet Kaur Ahuja, Country HR Director.

During the financial year, 1 meeting of the Committee was held on February 8, 2021, attended by all the members.



7. General Meetings

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

Date	Year	Venue/Mode	Time
August 10, 2020	2019-20	Video Conference/Other Audio Visual Means	3.00 p.m.
August 7, 2019	2018-19	Conrad, Bengaluru	3.00 p.m.
September 10, 2018	2017-18	ITC Gardenia, Bengaluru	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 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 them. (b) Consent of Members for re-appointment of Mr. Rajesh Marwaha as a Whole-Time Director of the Company and payment of remuneration to them.
August 7, 2019	Consent of Members for appointment of Mr. Narayan K. Seshadri, Independent Director for a second term of 5 years
September 10, 2018	None

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 shareholders through notice of postal ballot dated May 27, 2020 for approval for alteration of Memorandum and Articles of Association of the Company by way of Special Resolution. The aforesaid resolutions were duly passed and the results of postal ballot e-voting were announced on June 29, 2020. 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
Alteration of Memorandum of Association of the Company	19,771,964	19,770,913	1,051	99.99	0.01
Alteration of Articles of Association of the Company	19,771,589	19,761,189	10,400	99.95	0.05

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 shareholders 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. Shareholders 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 48 hours 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 June 27, 2020.

Currently, no resolution is proposed to be passed through postal ballot. However, if required, the same shall be passed in compliance of provisions of 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 the 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, 2021:

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	2,188.3
		ii) Reimbursement by AZ UK, the cost of employees deputed by the Company outside India	5.7
	Total		2,194.0

(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:

- Number of complaints filed during the financial year: 1
- Number of complaints disposed of during the financial year: 1
- 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:

- The Auditor's opinion on the financial statements is unmodified.
- The positions of Chairman and Managing Director are separate.
- 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, 2021. 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 Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act. 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 sizable 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 2020-21 is ₹ 5.3 million.

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 portal, 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.

11. Shareholder Information

(i) Annual General Meeting

Date and Time of AGM	August 9, 2021 at 3 p.m. IST
Mode	Video Conference and Other Audio Visual Means
Financial Year	2020-21
Dividend Payment Date	-

(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 2021-22 shall be as follows:

First Quarter Results	On or before August 14, 2021
Second Quarter Results	On or before November 14, 2021
Third Quarter Results	On or before February 14, 2022
Fourth Quarter and Annual Results	On or before May 30, 2022

(iii) Listing on Stock Exchanges

The Company's Equity Shares are listed on:

BSE Limited

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

National Stock Exchange of India Limited

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.

(iv) Unclaimed Suspense Account

As on April 1, 2020, there were 76 shareholders in respect of whom 27,190 shares were lying in the AstraZeneca Pharma India Limited- Unclaimed Suspense Account. In January 2021, there was a claim in respect of 10 shares from 1 shareholder from the said account.

Consequently, as on March 31, 2021, there were 75 shareholders in respect of whom 27,180 shares were lying in the AstraZeneca Pharma India Limited- Unclaimed Suspense Account. Further, in April 2021, there were claims in respect of 750 shares in the said account. Consequently, there are currently 72 shareholders in respect of whom the outstanding shares aggregating 26,430 shares are lying in the said 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

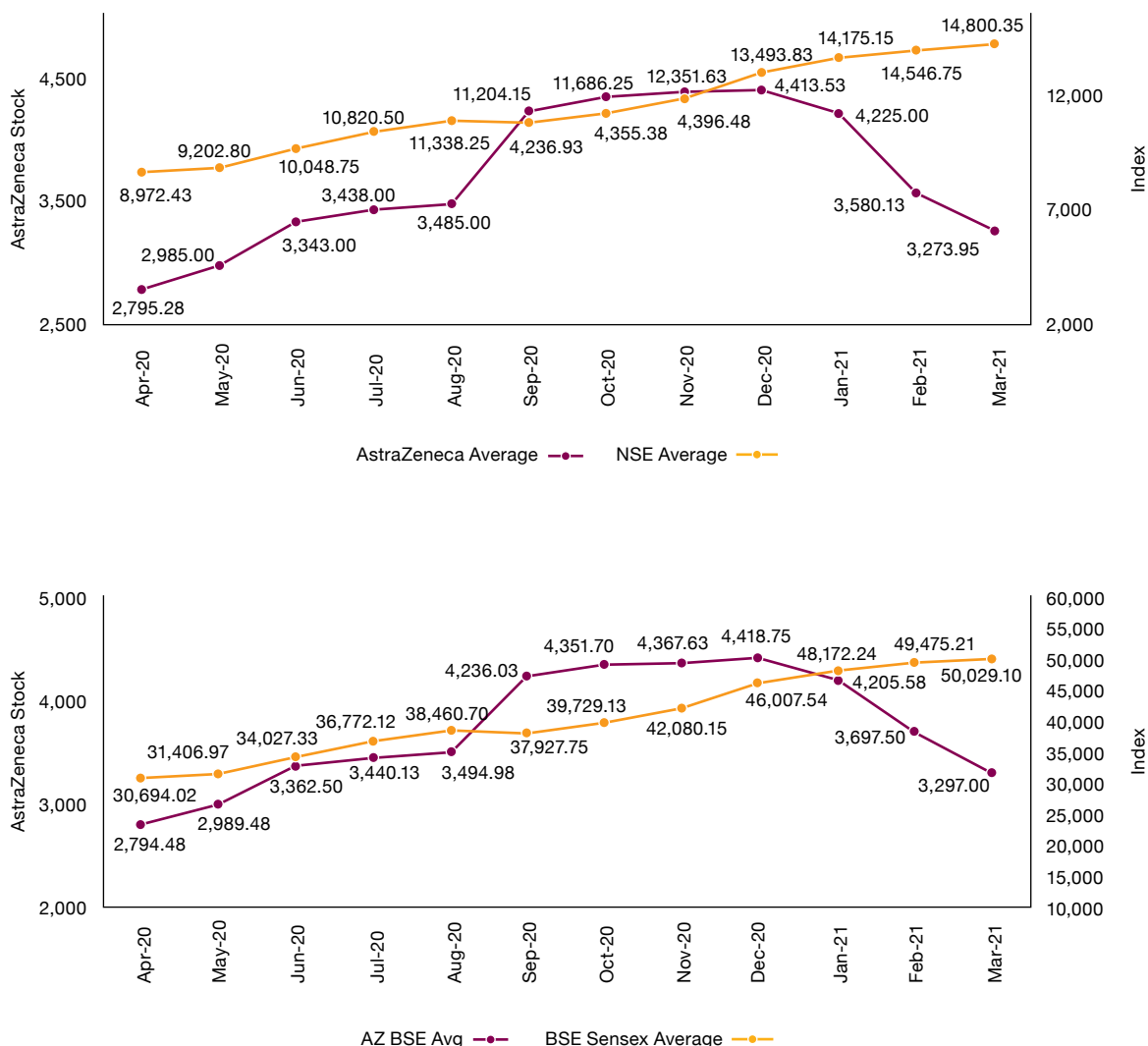
BSE Limited	506820
National Stock Exchange of India Limited	ASTRAZEN
ISIN for NSDL and CDSL	INE203A01020

(vi) Monthly High/Low of market price of the Company's shares traded on BSE and NSE for the financial year ended March 31, 2021:

Period	BSE		BSE Sensex Index		NSE		NSE Nifty Index	
	High (₹)	Low (₹)	High	Low	High (₹)	Low (₹)	High	Low
Apr-20	3,240.75	2,348.20	33,887.25	27,500.79	3,245.05	2,345.50	9,889.05	8,055.80
May-20	3,373.95	2,605.00	32,845.48	29,968.45	3,375.00	2,595.00	9,598.85	8,806.75
Jun-20	3,700.00	3,025.00	35,706.55	32,348.10	3,670.00	3,017.00	10,553.15	9,544.35
Jul-20	3,602.40	3,277.85	38,617.03	34,927.20	3,599.00	3,277.00	11,341.40	10,299.60
Aug-20	3,719.95	3,270.00	40,010.17	36,911.23	3,720.00	3,250.00	11,794.25	10,882.25
Sep-20	4,970.00	3,502.05	39,359.51	36,495.98	4,970.00	3,503.85	11,618.10	10,790.20
Oct-20	4,580.00	4,123.40	41,048.05	38,410.20	4,584.45	4,126.30	12,025.45	11,347.05
Nov-20	4,680.00	4,055.25	44,825.37	39,334.92	4,612.95	4,180.00	13,145.85	11,557.40
Dec-20	4,770.00	4,067.50	47,896.97	44,118.10	4,772.00	4,055.05	14,024.85	12,962.80
Jan-21	4,900.00	3,511.15	50,184.01	46,160.46	4,910.00	3,540.00	14,753.55	13,596.75
Feb-21	3,985.00	3,410.00	52,516.76	46,433.65	4,050.00	3,110.25	15,431.75	13,661.75
Mar-21	3,594.00	3,000.00	51,821.84	48,236.35	3,542.90	3,005.00	15,336.30	14,264.40

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

(vii) Performance of the Company's equity shares in comparison to BSE Sensex and NSE Nifty during the financial year 2020-21



(viii) Registrar and 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

Registry Management Services Private Limited has adequate infrastructure to process the share transfers. The Committee meets to approve the transfers etc. as required from time to time.

(ix) Share Transfer System

All the transfers received in physical form were processed and approved by the Share Transfer Committee of the Board, by adhering to the guidance/circulars issued by SEBI for dealing with Physical shares and as per the confirmations received from the Registrar and Share Transfer Agents. The Company's Registrar and Transfer Agents - Integrated

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, 2021**

No. of equity shares held	No. of Shareholders	%	No. of Shares	%
Up to 5,000	63,675	99.88	2,892,150	11.57
5,001 to 10,000	31	0.05	231,785	0.93
10,001 to 20,000	20	0.03	301,807	1.20
20,001 to 30,000	8	0.01	213,766	0.86
30,001 to 40,000	4	0.01	145,798	0.58
40,001 to 50,000	2	0	96,769	0.39
50,001 to 100,000	5	0.01	399,467	1.60
100,001 and above	8	0.01	20,718,458	82.87
Total	63,753	100.00	25,000,000	100.00

(xi) Shareholding Pattern as on March 31, 2021

Particulars	Physical Holdings	Electronic Holdings	Total Holdings	%
AstraZeneca Pharmaceuticals AB	-	18,750,000	18,750,000	75.00
Banks	125	250	375	0.00
Alternative Investment Funds	-	26,193	26,193	0.10
Trusts	-	198	198	0.00
Mutual Funds	-	206,389	206,389	0.83
FII's	-	606,667	606,667	2.43
Non-Resident Indians	500	126,862	127,362	0.51
Clearing Member	-	49,152	49,152	0.20
Indian Corporate Bodies	-	336,478	336,478	1.35
Investor Education and Protection Fund Authority	-	114,817	114,817	0.46
Others- Public	188,155	4,594,214	4,782,369	19.13
Total	188,780	24,811,220	25,000,000	100.00
Percentage:	0.76	99.24	-	100.00

(xii) Dematerialisation of shares and liquidity

The Company's equity shares are compulsorily traded in the dematerialised form. As on March 31, 2021, out of 25,000,000 equity shares of the Company, 24,811,220 equity shares representing 99.24% of the total equity share capital is held in dematerialised form with National Securities Depository Limited and Central Depository Securities (India) Limited.

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

None

(xiv) Plant location

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

(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	%
2015-16	Nil
2016-17	Nil
2017-18	Nil
2018-19	Nil
2019-20	₹ 1/- per share (50%)

(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 and 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, 2021, 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 25, 2021

Gagandeep Singh Bedi
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, 2021 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 25, 2021

Vijayakrishna K. T.
Practising Company Secretary
FCS-1788
CP-980
UDIN-F001788C00366561



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 and 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, 2021 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:

Name of Director	DIN	Date of appointment in the Company
Narayan Keelveedhi Seshadri	00053563	06/12/2012
Revathy Ashok	00057539	02/12/2016
Ankush Nandra	08737981	18/05/2020
Rajesh Marwaha	01458768	02/12/2016
Kimsuka Narsimhan	02102783	02/02/2017
Gagandeep Singh Bedi	07844333	01/07/2017
Weiying Sarah Wang	08369289	13/03/2019

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 25, 2021

Vijayakrishna K. T.
Practising Company Secretary
FCS-1788
CP-980
UDIN-F001788C00366561

Annexure IX to the Board's Report

FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

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

To,
The Members
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, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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, 2021 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) Regulations, 2014;
- (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, 2009;
- (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. Industries (Development & Regulation) Act, 1951
- ii. The Factories Act, 1948
- iii. The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959
- iv. The Apprentices Act, 1961
- v. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
- vi. The Employees State Insurance Act, 1948
- vii. The Workmen's Compensation Act, 1923
- viii. The Maternity Benefits Act, 1961
- ix. The Payment of Gratuity Act, 1972



- x. The Payment of Bonus Act, 1965
- xi. The Industrial Disputes Act, 1947
- xii. The Trade Unions Act, 1926
- xiii. The Payment of Wages Act, 1936
- xiv. The Minimum Wages Act, 1948
- xv. The Child Labour (Regulation & Abolition) Act, 1970
- xvi. The Contract Labour (Regulation & Abolition) Act, 1970
- xvii. The Industrial Employment (Standing Orders) Act, 1946
- xviii. Equal Remuneration Act, 1976
- xix. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Services) Act, 1979
- xx. The Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013
- xxi. Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1996
- xxii. Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013
- xxiii. Dangerous Machines (Regulation) Act, 1983
- xxiv. Indian Boilers Act, 1923
- xxv. The Industrial Establishments (National and Festival Holidays) Act, 1963
- xxvi. The Labour Welfare Fund Act, 1965
- xxvii. The Karnataka Daily Wage Employees Welfare Act, 2012

(2) Environment Related Acts & Rules:

- i. The Environment Protection Act, 1986
- ii. The Water (Prevention & Control of Pollution) Act, 1974
- iii. The Water (Prevention & Control of Pollution) Cess Act, 1977
- iv. The Air (Prevention & Control of Pollution) Act, 1981
- v. The Government Order Under Environment (Protection) Act, 1986
- vi. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.
- vii. The Karnataka Ground Water (Regulation for Protection of Sources of Drinking Water) Act, 1999

(3) Economic/Commercial Laws & Rules:

- i. The Competition Act, 2002
- ii. The Indian Contract Act, 1872

- iii. The Sales of Goods Act, 1930
- iv. The Forward Contracts (Regulation) Act, 1952
- v. The Indian Stamp Act, 1899
- vi. The Registrations Act, 1908
- vii. The Transfer of Property Act, 1882

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. The proceedings of the Annual General Meeting was submitted to stock exchanges immediately on the next working day, marginally after 24 hours, which in my opinion is non-material and inconsequential.

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 notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and 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.

FCS No.: 1788

C P No.: 980

Place: Bengaluru

Date: May 25, 2021

UDIN: F001788C000366526

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 record 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 Accounts 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 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.

Place: Bengaluru
Date: May 25, 2021

Vijayakrishna K. T.
FCS No.: 1788
C P No.: 980



Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sl. No.	Particulars	Details
1.	Corporate Identity Number (CIN) of the Company	L24231KA1979PLC003563
2.	Name of the Company	AstraZeneca Pharma India Limited
3.	Registered address	Block N1, 12 th Floor, Manyata Embassy Business Park, Rachenahalli, Outer Right Road, Bengaluru, Karnataka – 560 045
4.	Website	www.astrazeneca.com/india
5.	E-mail	comp.secy@astrazeneca.com
6.	Financial Year reported	March 31, 2021
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	21001 (Manufacture of Pharmaceuticals)
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Forxiga/Oxra/Gledepa Tagrisso Brilinta
9.	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations	Nil
	(b) Number of National Locations	The Company has 1 plant situated at Bengaluru. The Company has 1 Central Warehouse with depot in Bangalore and 13 Carrying and Forwarding Agents across the country (Mumbai, Delhi, Kolkata, Chennai, Lucknow, Guwahati, Ahmedabad, Kochi, Indore, Hyderabad, Cuttack, Ranchi and Chandigarh)
10.	Markets served by the Company – Local/State/National/International	India and Nepal

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sl. No.	Particulars	Details (₹ in million)
1.	Paid up Capital	50
2.	Total Turnover	8,264
3.	Total profit after taxes	933
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.7%
5.	List of activities in which expenditure in 4 above has been incurred	- Ganga Godavari Cancer Screening - Reverse Diabetes Project - COVID-19 response

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/Companies?**
No
- Do the Subsidiary Company/Companies participate in the Business Responsibility Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**
N.A.
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**
The Company's Code of Conduct is applicable to all the business entities who do business with the Company. The Business associates do not directly participate in Business Responsibility Initiative of the Company.

SECTION D: BR INFORMATION**1. Details of Director/Directors responsible for BR**

a) Details of the Director responsible for implementation of the BR policy/policies

1. DIN: 01458768
2. Name: Rajesh Marwaha
3. Designation: Chief Financial Officer and Director

b) Details of the BR head

Sl. No	Particulars	Details
1.	DIN	01458768
2.	Name	Rajesh Marwaha
3.	Designation	Chief Financial Officer and Director
4.	Telephone number	080 - 67748000
5.	E-mail	Rajesh.Marwaha@astrazeneca.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

Sl. No	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify?	Most of the Company's policies are aligned with AstraZeneca PLC's global best practices. The Company adhered to Indian laws and regulations, in cases where it is more stringent.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	www.astrazeneca.com/india								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(b) If answer to the question at serial number 1 against any principle is 'No', please explain why:

Sl. No	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3.	The Company does not have financial or manpower resources available for the task	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
4.	It is planned to be done within next 6 months	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
5.	It is planned to be done within the next 1 year	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
6.	Any other reason	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

3. Governance related to BR

- (a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

The Board of Directors of the Company assesses business responsibility initiatives annually.

- (b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Company has published a BR Report for the financial year ended March 31, 2020 as required under the Listing regulations read with SEBI Circular CIR/CFD/CMD/10/2015 dated 04.11.2015. The Company publishes the Business Responsibility Report in its Annual Report. The current report can be found in the link www.astrazeneca.com/india

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The Company's Code of Ethics sets out the commitments and ethical standards expected of everyone who works at AstraZeneca, while the Expectations of Third Parties Handbook document outlines the ethical standards for external partners. The Company wants to be valued for the medicines it provides and trusted for the way it works. Human rights, safety and health, environmental protection and business ethics are core to the Company's approach to sustainability. To that extent AstraZeneca requires all members of the AstraZeneca group and their directors, officers and employees to observe high standards of integrity and honesty, and to act with care, diligence and fairness in all its business activities. The Company works only with Third Parties whose ethical standards are consistent with its own.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

Stakeholder complaints, if any, are investigated in terms of Whistle-Blowing Policy as approved by the Board. AstraZeneca is committed to appropriate review of inquiries raised in good faith through available reporting channels. As of March 31, 2021, 2 significant complaints were received and are under investigation as per the Whistle Blowing Policy as approved by the Board.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Company manufactures and packs at its state-of-the-art facility at Bengaluru, India, products which have been developed taking environmental aspects into perspective.

The products are: Betaloc, Imdur, Forxiga, Crestor, Brilinta, Xigduo and Seloken.

2. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.**

The Company has a standard operating procedure for the selection of its suppliers for sourcing of materials. There is a system for assessing critical and major suppliers through risk management process for Quality, Compliance and SHE.

3. **Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company follows a strict sourcing code of conduct with respect to the compliance and quality. The Company procures goods and services from local vendors in the vicinity of the manufacturing location in compliance to the code.

4. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof.**

The Company has a mechanism to recycle or dispose materials including waste in a responsible manner. All our non-hazardous waste is recycled (around 20% of total waste generated). Ash from Agro husk boiler is disposed for re-usage (brick making and road laying). Hazardous waste from our processing areas and market returns are disposed/incinerated through a pollution control board authorised recycler. Organic composter for the food and garden waste is being used at the manufacturing site.

Principle 3: Businesses should promote the well-being of all employees

1. **Please indicate:**

Sl. No	Particulars	Details
1.	Total number of employees	1,283
2.	Total number of employees hired on temporary/contractual/casual basis.	75
3.	Number of permanent women employees	172

Sl. No	Particulars	Details
4.	Number of permanent employees with disabilities	1
5.	Do you have an employee association that is recognised by management	Yes
6.	What percentage of your permanent employees is members of this recognised employee association?	Professional Sales Representatives Union: 8.42% Factory Union: 5.3%

2. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sl. No	Category	No. of Complaints filed during the Financial Year	No. of Complaints pending at the end of the Financial Year
1.	Child labour/ forced labour/ involuntary labour	0	0
2.	Sexual harassment	1	0
3.	Discriminatory employment	0	0

3. What percentage of your undermentioned employees were given safety and skill up-gradation training in the last year?

(a) Permanent Employees

(b) Permanent Women Employees

(c) Casual/Temporary/Contractual Employees

(d) Employees with Disabilities

100% of employees are covered for Skill Upgradation Intervention aligned to their skill needs and AstraZeneca Talent and Development Framework. Also 100% of all our employees are imparted safety training at the time they join the Company. Procedural Safety trainings are imparted at scheduled intervals based on employee roles. The Company makes no discrimination while imparting training to women employees. No discrimination while imparting training to employees with disabilities. All our contractual employees are imparted with safety trainings and other skill based training basis their role and field of work.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders.

Yes.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders.

Our Responsible Business priorities and commitments are aligned to and support delivery of our business strategy and ensure we add sustainable value for our stakeholders. Our Responsible Business framework is the vehicle for managing commitments that are agreed across the Group, taking account of external stakeholder insights and internal reputational risk assessment. The framework encompasses a number of areas of our business and while we monitor performance in each of them, we have identified areas of special focus. These include access to healthcare, environmental protection and ethics and transparency where we believe that we have both the capability and the responsibility to implement standards that accelerate our business strategy while delivering wider benefits to society. Our key programmes in India include:

- Ganga Godavari Cancer Screening Programme – launched in partnership with Indian Cancer Society and Charities Aid Foundation, specialised checkup camps for screenable cancers such as oral, cervical and breast cancer are organised for women from underprivileged sections of the society. In the second phase of the programme, the Company has reached over 200 women beneficiaries till date with cancer awareness and screening.
- The Company also continues to make a difference through its signature global community initiative, the Young Health Programme (YHP). Founded in partnership with John Hopkins School of Public Health and Plan International, AstraZeneca global had introduced YHP in the year 2010-11 in 5 resettlement colonies in Delhi with an aim to improving the health outcomes of vulnerable youth, aged 10 – 24 by focusing on NCDs related health awareness activities. These activities are delivered through Peer Educators at Health Information Centers established by the programme and through community outreach activities. These are further supported by advocacy efforts with local stakeholders and municipal leaders. The programme has reached 10 communities, over 475,000 youth with health information, 6,400 Peer Educators have been trained and 25 Health Information Centers have been opened in the communities. YHP India is funded and supported by AstraZeneca global.

The Company's contribution to YHP India includes employee engagement and disease awareness initiatives in the communities.

- The COVID-19 pandemic is an unprecedented challenge facing the country. As a responsible corporate organisation, we are committed to aid the medical and



service fraternity in India in the frontline of battle against COVID-19. To this end, the Company donated around 30,000 high quality N95 masks. The masks were donated to the central and state health departments of Delhi, Punjab, Maharashtra, Karnataka and Kerala.

- (d) New Normal, Same Cancer is a public-facing campaign developed in collaboration between AstraZeneca and the global cancer patient community. The campaign has been developed alongside a steering committee of advocacy partners from around the world and raises awareness of the need for people to get back to cancer care services despite the disruption caused by the COVID-19 pandemic. So far the campaign has reached over 1 million people across the country through focused digital engagement.
- (e) In India diabetes is highly endemic: about 15% of all diabetes patients live in India. Presently we have > 70 million patients. By 2025 India will have 120 million diabetes type 2 patients. In the Netherlands the foundation Voeding LEEFT has developed a successful life style programme which shows spectacular results: 92% of participants have been reversed wholly or partially after 12 months.

Diabetes 2 Reversal programs are hard to achieve but are now greatly helped by mobile health technology, interactive apps with AI-driven chatbots available on smart phones. The Voeding LEEFT programme also demonstrated the power of group dynamics for behavioural change.

The Dutch NGO, the Joep Lange Institute, teamed up with 3 reputable organisations in India: Piramal, Asia Heart Institute, Eternal Heart Center. An Indian version of the unique Voeding LEEFT lifestyle programme has been developed. The programme in India is aiming at replacing a large part of human intervention by a technology platform, such that the cost effectiveness is greatly improved and such that the programme can be scaled. A valuable data set will be captured of Real World Patient Data which will be very useful for companies and institutes who want to develop new diabetes treatment, methods and devices.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others?

AstraZeneca's Code of Conduct 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 regarding child labour and minimum age.

The Company remains committed to respect and protect human rights. The Company's Code of conduct and the human resource practices cover most of these aspects. The Company does not hire child labour, forced labour or involuntary labour. The Company never discriminates between its employees.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Stakeholder complaints, if any, are investigated in terms of Whistle Blowing Policy as approved by the Board. AstraZeneca is committed to appropriate review of inquiries raised in good faith through available reporting channels. During the financial year, as of March 31, 2021, 2 significant complaints were received and are under investigation as per the Whistle Blowing Policy as approved by the Board.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others.

The Company has a well-defined Safety, Health and Environmental Policy. The Company has been engaging and involving every stakeholder across Company in creating a unique culture in Safety Health and Environment.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming etc ? Y/N. If yes, please give hyperlink for webpage etc.

The Company continues to invest substantially towards sustainability and continuously improving standards of environment, occupation health and safety. A robust Safety Health and Environment policy is in place which is encouraging our employees to be more cautious in pre-empting potential threats. Our long-term SHE strategy/commitments include:

- Energy: we are sourcing approximately 75% of our energy needs through Solar Power
- In-house rooftop solar power project in progress. On completion of this project, we will have around 85-90% green energy at the manufacturing site
- Reduction in single use plastic
- Carbon: 5 years strategy in place for Zero Carbon by 2025
- Waste: continue to work on reduction against identified baselines
- Water: work towards reduction in usage of water in all operations; Reuse of cooling tower and boiler blowdown water to minimise water wastage

Webpage link: <https://www.astrazeneca.com/sustainability.html>

3. Does the Company identify and assess potential environmental risks? Y/N

The Company aims to integrate environmental considerations into a medicine's complete lifecycle – from R&D, through manufacturing, marketing, use and ultimately disposal. Backed by our global SHE Policy which requires us to prevent, or otherwise minimise the risk of any harmful effects to the environment caused by our activities or products, we work continually to improve the environmental sustainability of our business activities. Environmental risk summaries for the Active Pharmaceutical products can be found at: <https://www.astrazeneca.com/media-centre/articles/2020/mitigating-the-risk-of-pharmaceuticals-in-the-environment.html>

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if Yes, whether any environmental compliance report is filed?

N.A.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The Company is committed to achieve all the norms within the limits for emission and discharge of air and water, as may be laid down by the regulators. The Company complies with pollution and environmental laws.

In-house rooftop solar power project is in progress. On completion of this project, we will have around 85-90% green energy at the manufacturing site.

Reduction in single use plastic is also another initiative.

Conservation of Energy:

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

The Company's Tablet Facility was the first pharma facility in India to be accredited with Gold Standard Rating under LEED (Leadership in Energy and Environmental Design) certification. The facility uses energy-saving HVAC System, efficient water fixtures and an extensive energy modelling done with 33.67% reduction in power consumption. All the HVAC operations is controlled by the building management system which enables the facility to be energy efficient.

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

The Company is using renewable energy concepts like Solar power for factory energy requirement, usage of agro husk boilers for steam generation, rainwater harvesting, condensate water recovery system, recycled materials for construction, usage of transparent roofing in engineering stores and other areas to conserve lighting load. Installation of roof top solar plant in the manufacturing site to further utilise alternative sources of energy is under progress.

(iii) The capital investment on energy conservation equipment:

The Company's investment into the existing Tablet Facility includes investments made on energy conservation equipment and systems. Usage of power saving LED fixtures for lighting in the production facility, Central warehouse facility and street lighting; natural lighting and air ventilation system are adopted in the utility areas, usage of motion sensors for office and some production areas to conserve lighting load.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Yes, and the same are monitored by both internal and approved external agencies and reports are submitted to local statutory body.

7. Number of show cause/legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

There is no show-cause notice received and pending during the end of the financial year.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, the Company is a member of the following trade, chamber and association:

- Organisation of Pharmaceutical Producers of India
- Karnataka Drug Manufacturing Association
- Indian Society of Clinical Research
- UK India Trade Investment Council
- Business Sweden – The Swedish Trade and Invest Council
- Federation of Indian Chambers of Commerce and Industry

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

AstraZeneca is a member of various industry and trade groups. These groups represent the biopharmaceutical industry with governments and other stakeholders, defending and supporting public policies that are consistent with AstraZeneca's health care principles. While AstraZeneca may not always share the specific views of the industry and



trade groups to which we belong, we continue to value our memberships in these organisations as they work to gain consensus on policy issues, when possible, amongst members to present a broader industry perspective.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Non-communicable diseases (NCDs) such as diabetes, cancer, heart diseases and respiratory diseases are the leading causes of death globally and are among the top public health challenges globally and in India. WHO estimates that NCDs now account for 60% of the disease burden and are being diagnosed with increasing frequency. Further, India is experiencing rapid demographic and epidemiological transition with NCDs causing significant disability, morbidity and mortality both in urban and rural populations and across all socioeconomic strata. Every year, roughly 5.8 million Indians die from heart and lung diseases, stroke, cancer and diabetes. In other words, 1 in 4 Indians risks dying from an NCD before they reach the age of 70s (WHO). The share of NCDs in morbidity and mortality will continue to increase (WHO, IDF, IMS Market Prognosis 2010-14, GLOBOCAN 2012), thereby presenting the need for early prevention, detection, control and management of NCDs.

The Company is uniquely positioned in India to address the rising burden of NCDs through its scientific expertise in the areas of diabetes, cardiovascular diseases, cancer and respiratory disorders. As part of the Company's business strategy in India, the Company is also committed to bring innovative solutions to address the gaps in the healthcare system and strengthen healthcare capabilities required for addressing the growing burden of NCDs in India. This strategy aligns well with the government's health agenda as outlined in the National Health Policy 2017. The Company has undertaken programmes to address the issues of NCDs in India especially targeted at the underprivileged sections of the society, where access to healthcare is a concern. The details of these programmes are provided at point no. 3 of Principle 4 in this report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?

The programmes are undertaken in partnership with external not for profit organisations. The Young Health Programme is being implemented by Plan International (India Chapter) (NGO) in partnership with local partners: Nav Srishti and Dr. A.V. Baliga Memorial Trust. The Early Cancer Screening Initiative is being implemented in partnership with Indian Cancer Society and Charities Aid Foundation India.

3. Have you done any impact assessment of your initiative?

Yes, impact assessments are carried out for the initiatives with external and independent consultants wherever possible.

The Ganga Godavari Early Cancer Screening Programme is currently monitored by Charities Aid Foundation India. The programme has been able to meet its objectives of screening and creating awareness of common cancers such as oral, cervical and breast cancers in the communities where the specialised camps are set up. In the next phase of the programme, the project's aim is to adopt a village and demonstrate end to end change in health seeking behaviour among community members.

For the Young Health Programme, a detailed monitoring, evaluation and learning framework is set to measure outcomes. YHP India has ensured high quality implementation, importantly by ensuring youth engagement in activities at all stages during the programme cycle. It is evident that the core strategies of Peer Education, establishing and running Health Information Centres, using young people to develop IEC materials and mass awareness campaigns has meant that the YHP has been embedded into the project communities.

Each strategy has worked well in increasing the programme reach and bringing about change in knowledge, attitude and practice indicators. The successful initiative to advocate for Adolescent Friendly Health Services (AFHS) at the primary health centres has helped in increasing the uptake of health services by young people. The Health Information Centres have developed as a relevant community-based resource centre and referral point for young people.

4. What is your company's direct contribution to community development projects – Amount in ₹ and the details of the projects

The contribution made is as follows:

- Ganga Godavari Cancer Screening Programme for women: ₹ 10.10 million
- Young Health Programme in India is a globally funded programme

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

Yes, the programs are designed to ensure there is sustainable change in the communities that it serves. For example, the YHP implementing partners have taken ownership of running 8 of the 15 Health Information Centres through their institutional resources. The Peer Educators, who are the ambassadors of the YHP, are recognised for their continuous and untiring contribution and support. Many are motivated and ambitious to continue to reach out to their peers and community.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year

As of March 31, 2021, 2 significant complaints were received and are under investigation as per the Whistle Blowing Policy as approved by the Board.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks

The product labelling is to be approved by the regulatory authorities of the country where the product is to be sold. The Company mentions all the product approved information as per the applicable country drug rules.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof.

There is no pending case as on March 31, 2021.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Company does carry out periodical survey on the clinical efficacy and experience of the physicians (customers) for its innovative drug launches. The Company undertakes the feedbacks received from the customers seriously and is driven by the perceptive customer value manifested in these customer surveys. The Company also reports the Adverse Events/Product Complaints, if shared during the research. All qualitative and quantitative research follows the compliance guidelines.

Place: Bengaluru
Date: May 25, 2021

Rajesh Marwaha
DIN: 01458768
Chief Financial Officer and Director

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, 2021, and the statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in equity and 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, 2021, and total comprehensive

income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

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 judgment, 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.

Key audit matter	How our audit addressed the key audit matter
Appropriateness of provisions recognised and contingent liabilities disclosed in respect of certain direct and indirect tax matters (Refer to the note 19 – "Provisions", note 20- "Current tax liabilities" and note 32(b) – "Contingent liabilities" to the financial statements). There are certain direct and indirect tax cases 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. As at March 31, 2021, the Company has tax demands pertaining to the above direct and indirect tax matters aggregating to ₹ 842.9 million (including interest and penalties, where applicable) of which ₹ 42.5 million has been provided for and ₹ 800.4 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, which are currently pending for adjudication. Management judgement is involved in evaluation of the likelihood of ultimate outcome of the tax disputes and the probable amount of the liability and is hence determined to be a key audit matter.	Our procedures included the following: • Understood, evaluated and tested the design and operating effectiveness of controls in respect of identifying tax exposures, its accounting and disclosures thereof. • Obtained a listing of the various tax cases and, read the correspondence with tax authorities and where relevant, the advice received by the management from its external tax consultant. • Evaluated the objectivity, competence and capabilities of the management's external tax consultant. • Along with auditors' tax experts: a. Gained an understanding of the current status of tax assessments through our discussion with management and determined impact, if any, based on recent rulings and latest developments in tax laws. b. Evaluated 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. c. Examined the confirmation 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. 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 matters, to be reasonable.

Independent Auditor's Report

To the Members of AstraZeneca Pharma India Limited

Report on the audit of the financial statements

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis Report, Board's Report including Annexures to Board's Report, Business Responsibility Report and Report on Corporate Governance 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 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 judgment 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.



Independent Auditor's Report

To the Members of AstraZeneca Pharma India Limited

Report on the audit of the financial statements

- 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.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Notes 19 and 32(b) to the financial statements.
 - ii. The Company has long-term contracts for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2021.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.
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.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2016 ("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.
 - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of changes in equity and Statement of cash flows dealt with by this Report are in agreement with the books of account.

For **Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number: 304026E/ E-300009

Prasanna Padar Mahabala

Partner

Place: Bengaluru

Date: May 25, 2021

Membership Number: 206477

UDIN: 21206477AAAAAQ9918

Annexure A to Independent Auditors' Report

Referred to in paragraph 14(f) of the Independent Auditors' 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, 2021

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, 2021 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.

Auditors' 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 control 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, 2021, 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 the ICAI.

For **Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number: 304026E/ E-300009

Prasanna Padar Mahabala

Partner

Membership Number: 206477

UDIN: 21206477AAAAAQ9918

Place: Bengaluru

Date: May 25, 2021



Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' 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, 2021.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets 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 fixed assets 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 immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory [excluding stocks with third parties] have been conducted at reasonable intervals by the Management during the year. 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 material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under 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 the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, duty of customs, cess, goods and service 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.

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' 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, 2021.

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, service tax, duty of customs, value added tax, goods and service tax as at March 31, 2021 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Gross amount (in ₹)	Amount paid under protest (in ₹)	Net amount (in ₹)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax and Interest	5,077,460	5,077,460	-	2009-10	Income Tax Appellate Tribunal
	Income Tax*	6,159,181	6,159,181	-	2010-11	Income Tax Appellate Tribunal
	Income Tax**	224,055,963	224,055,963	-	2013-14	Income Tax Appellate Tribunal
	Income Tax***	141,385,237	137,221,052	4,164,185	2014-15	Income Tax Appellate Tribunal
	Income Tax	156,092,630	-	156,092,630	2015-16	Deputy Commissioner of Income Tax
Punjab Value Added Tax Act, 2005	Value Added Tax (VAT)	1,771,199	190,482	1,580,717	2006-07	The Honourable High Court of Punjab
Customs Act, 1962	Custom duty	21,248,482	-	21,248,482	2005-06	Customs, Excise & Service Tax Appellate Tribunal, Mumbai
The Finance Act, 1994	Service Tax	25,648,174	1,764,842	23,883,332	2006-07 to 2011-12	Central Excise and Service Tax Appellate Tribunal, Bangalore
	Service Tax	4,883,896	243,700	4,640,196	2012-13	Central Excise and Service Tax Appellate Tribunal, Bangalore
	Service Tax	3,422,026	152,769	3,269,257	2013-14 to 2015-16	Central Excise and Service Tax Appellate Tribunal, Bangalore
	Service Tax	10,008,434	750,650	9,257,784	April 2016 to June 2017	Central Excise and Service Tax Appellate Tribunal, Bangalore
	Service Tax	1,495,104	-	1,495,104	April 2016 to March 2017	Commissioner of Central Tax, Bangalore
Goods and Services Tax Act, 2017	Goods and Services Tax	51,695,506	2,119,264	49,576,242	2017-18	Joint Commissioner of State Tax (Appeals), Thane
	Goods and Services Tax	211,046,582	9,235,040	201,811,542	2018-19	Joint Commissioner of State Tax (Appeals), Thane

*The Department has adjusted ₹ 6,159,181 against refund of other assessment years and this has been included under "amount paid under protest".

**The Company has paid ₹ 40,000,000 under protest and the department has adjusted ₹ 187,344,107 against refund of other assessment years. The amount of payment under protest has been restricted to the extent of gross demand.

***The Company has paid ₹ 24,000,000 under protest during the year and the department has adjusted ₹ 113,221,052 against refund of other assessment years.



Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' 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, 2021.

- | | |
|--|---|
| <p>viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.</p> <p>ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.</p> <p>x. 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 by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.</p> <p>xi. 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. Also refer paragraph 15 of our main audit report.</p> <p>xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.</p> <p>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 (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.</p> | <p>xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.</p> <p>xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.</p> <p>xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.</p> |
|--|---|
- For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/ E-300009

Place: Bengaluru
Date: May 25, 2021

Prasanna Padar Mahabala
Partner
Membership Number: 206477
UDIN: 21206477AAAAAQ9918

Balance Sheet

(All amounts in ₹ million, except per share and share data)

	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	699.1	602.7
Right-of-use assets	3	110.5	112.6
Capital work-in progress	3	40.2	242.4
Financial assets			
Loans	4	43.3	39.0
Current tax assets	6	501.0	488.4
Deferred tax assets	7	145.3	146.4
Other non-current assets	8	20.1	8.9
Total non-current assets		1,559.5	1,640.4
Current assets			
Inventories	9	1,598.0	1,651.5
Financial assets			
Trade receivables	10	851.9	832.1
Cash and cash equivalents	11	3,523.4	835.0
Bank balances other than cash and cash equivalents	12	0.1	1,690.2
Loans	4	3.6	8.0
Other financial assets	5	56.6	115.7
Other current assets	8	154.0	290.7
Total current assets		6,187.6	5,423.2
Total assets		7,747.1	7,063.6
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	50.0	50.0
Other equity	14	4,511.7	3,594.4
Total equity		4,561.7	3,644.4
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	17	86.3	93.0
Provisions	19	64.1	53.8
Total non-current liabilities		150.4	146.8
Current liabilities			
Financial liabilities			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	15	3.0	1.6
Total outstanding dues of creditors other than micro enterprises and small enterprises	15	1,780.7	2,095.6
Lease liabilities	17	35.1	25.4
Other financial liabilities	16	525.9	475.6
Other current liabilities	18	264.8	209.6
Provisions	19	369.2	443.6
Current tax liabilities	20	56.3	21.0
Total current liabilities		3,035.0	3,272.4
Total liabilities		3,185.4	3,419.2
Total equity and liabilities		7,747.1	7,063.6

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: 206477For and on behalf of the Board of Directors of
AstraZeneca Pharma India Limited**Narayan K. Seshadri**
Chairman
DIN: 00053563
Place: Mumbai
Date: May 25, 2021**Pratap Rudra B**
Company Secretary
Place: Bengaluru
Date: May 25, 2021**Gagandeep Singh Bedi**
Managing Director
DIN: 07844333
Place: Bengaluru
Date: May 25, 2021**Rajesh Marwaha**
Director & Chief
Financial Officer
DIN: 01458768
Place: Bengaluru
Date: May 25, 2021Place: Bengaluru
Date: May 25, 2021



Statement of Profit and Loss

(All amounts in ₹ million, except per share and share data)

	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
Revenue from operations	22	8,135.6	8,318.1
Other income	23	128.4	129.9
Total income		8,264.0	8,448.0
Expenses			
Cost of materials consumed	24	972.6	702.1
Purchase of traded goods	25	1,947.4	2,742.3
Changes in inventories of finished goods, work-in-progress and traded goods	26	29.5	(392.1)
Employee benefits expense	27	2,195.4	2,167.0
Depreciation and impairment expense	28B	201.3	185.8
Allowance for expected credit loss (net)	38 (ii) (a)	27.2	15.8
Other expenses	28A	1,608.8	1,876.0
Finance cost	29	10.9	11.4
Total expenses		6,993.1	7,308.3
Profit before tax		1,270.9	1,139.7
Tax expense			
Current tax	21	348.3	315.1
Deferred tax charge/(credit)	21	(10.4)	102.5
Total tax expense		337.9	417.6
Profit for the year		933.0	722.1
Other comprehensive income/ (loss)			
Items that will not be reclassified to profit and loss			
Re-measurement gains/(losses) on post employment benefit obligations	35 (iii)(C)(e)	45.8	(65.8)
Income tax effect	7	(11.5)	16.6
Total other comprehensive income/(loss) for the year		34.3	(49.2)
Total comprehensive income for the year		967.3	672.9
Earnings per equity share (equity shares, par value of ₹ 2 each)			
- Basic and diluted	30	37.3	28.9

The accompanying notes are an integral part of these Financial Statements.
This is the Statement of Profit of 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 25, 2021

For and on behalf of the Board of Directors of
AstraZeneca Pharma India Limited

Narayan K. Seshadri
Chairman
DIN: 00053563
Place: Mumbai
Date: May 25, 2021

Pratap Rudra B
Company Secretary
Place: Bengaluru
Date: May 25, 2021

Gagandeep Singh Bedi
Managing Director
DIN: 07844333
Place: Bengaluru
Date: May 25, 2021

Rajesh Marwaha
Director & Chief
Financial Officer
DIN: 01458768
Place: Bengaluru
Date: May 25, 2021

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, 2019	50.0
Changes in equity share capital	-
As at March 31, 2020	50.0
Changes in equity share capital	-
As at March 31, 2021	50.0

B) Other Equity

Particulars	Note	Retained earnings	General Reserve	Capital reserve	Employee share compensation reserve	Total Other equity
Balance as on March 31, 2019		1,682.2	531.3	723.5	21.0	2,958.0
Transition impact of Ind AS 116, net of tax		(1.3)	-	-	-	(1.3)
Restated balance at April 1, 2019		1,680.9	531.3	723.5	21.0	2,956.7
Profit for the year		722.1	-	-	-	722.1
Other comprehensive loss		(49.2)	-	-	-	(49.2)
Total comprehensive income for the year		672.9	-	-	-	672.9
Employee share compensation expense	27	-	-	-	11.2	11.2
Recharge cost (including ₹ 8.2 to an overseas related party)	33	-	-	-	(16.3)	(16.3)
Dividend paid		(25.0)	-	-	-	(25.0)
Dividend distribution tax		(5.1)	-	-	-	(5.1)
Balance as on March 31, 2020		2,323.7	531.3	723.5	15.9	3,594.4
Profit for the year		933.0	-	-	-	933.0
Other comprehensive income		34.3	-	-	-	34.3
Total comprehensive income for the year		967.3	-	-	-	967.3
Employee share compensation expense	27	-	-	-	14.8	14.8
Recharge cost (including ₹ 8.4 to an overseas related party)	33	-	-	-	(14.8)	(14.8)
Dividend paid		(50.0)	-	-	-	(50.0)
Balance as on March 31, 2021		3,241.0	531.3	723.5	15.9	4,511.7

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

Place: Bengaluru
Date: May 25, 2021

For and on behalf of the Board of Directors of
AstraZeneca Pharma India Limited

Narayan K. Seshadri
Chairman
DIN: 00053563
Place: Mumbai
Date: May 25, 2021

Pratap Rudra B
Company Secretary
Place: Bengaluru
Date: May 25, 2021

Gagandeep Singh Bedi
Managing Director
DIN: 07844333
Place: Bengaluru
Date: May 25, 2021

Rajesh Marwaha
Director & Chief
Financial Officer
DIN: 01458768
Place: Bengaluru
Date: May 25, 2021



Statement of Cash Flows

(All amounts in ₹ million, except per share and share data)

	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
A) Cash flow from operating activities			
Profit before tax		1,270.9	1,139.7
Non-cash adjustments for :			
Depreciation and impairment expense	28B	201.3	185.8
(Profit) on sale of property, plant and equipment (net)	23	(21.7)	(2.9)
Interest income on deposits carried at amortised cost	23	(89.3)	(122.3)
Employee stock compensation expense	27	14.8	11.2
Unrealised foreign exchange gain (net)		(1.2)	(1.5)
Allowance for expected credit loss (net)	38 (ii) (a)	27.2	15.8
Finance cost	29	10.9	11.4
Operating profit before working capital changes		1,412.9	1,237.2
Changes in working capital:			
(Increase) / Decrease in trade receivables		(45.8)	(48.3)
(Increase) / Decrease in inventories		53.5	(470.3)
(Increase) / Decrease in loans		0.1	(10.3)
(Increase) / Decrease in other financial assets		55.2	(57.3)
(Increase) / Decrease in other assets		123.1	(20.3)
Increase / (Decrease) in trade payables		(313.4)	414.5
Increase / (Decrease) in provisions		(18.3)	65.8
Increase / (Decrease) in other financial liabilities		51.4	33.8
Increase / (Decrease) in other liabilities		54.7	65.8
Cash generated from operations		1,373.4	1,210.6
Income taxes paid (net of refund)		(325.6)	(336.4)
Net cash generated from operating activities (A)		1,047.8	874.2
B) Cash flows from investing activities			
Interest income on bank deposits		93.2	119.3
Investment in bank deposits		-	(1,690.0)
Proceeds from maturity of bank deposits		1,690.0	-
Purchase of property, plant and equipment, including capital work-in-progress		(77.1)	(142.2)
Proceeds from sale of property, plant and equipment		24.2	4.9
Net cash generated from / (used in) investing activities (B)		1,730.3	(1,708.0)

Statement of Cash Flows

(All amounts in ₹ million, except per share and share data)

	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
C) Cash flows from financing activities			
Principal payment of lease liabilities		(28.8)	(22.1)
Interest cost on lease liabilities	29	(10.9)	(11.4)
Dividend paid		(50.0)	(25.0)
Tax on dividend paid		-	(5.1)
Net cash generated from/ (used in) financing activities (C)		(89.7)	(63.6)
D) Net increase/(decrease) in cash and cash equivalents (A+B+C)		2,688.4	(897.4)
E) Cash and cash equivalents at the beginning of the year		835.0	1,732.4
F) Cash and cash equivalents at the end of the year		3,523.4	835.0
Components of cash and cash equivalents as at the end of the year			
		As at March 31, 2021	As at March 31, 2020
Balance with banks :			
Current accounts	11	30.1	17.0
Demand deposits with original maturity of less than 3 months	11	3,493.3	818.0
Total cash and cash equivalents		3,523.4	835.0

- (a) The Cash Flow Statement 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.
- (b) Figures in brackets indicate cash outflow.
- (c) Previous year's figures have been regrouped/reclassified wherever necessary to conform to current year classification.

This is the Statement of Cash flow 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 25, 2021

For and on behalf of the Board of Directors of
AstraZeneca Pharma India Limited

Narayan K. Seshadri
Chairman
DIN: 00053563
Place: Mumbai
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Pratap Rudra B
Company Secretary
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Gagandeep Singh Bedi
Managing Director
DIN: 07844333
Place: Bengaluru
Date: May 25, 2021

Rajesh Marwaha
Director & Chief
Financial Officer
DIN: 01458768
Place: Bengaluru
Date: May 25, 2021

Notes to the Financial Statements

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 are authorised for issue by the Board of Directors as on May 25, 2021.

(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 lakh and the sign '-' indicates that amounts are nil.

(c) New and amended standards adopted

The following amendments to Ind AS standards are applicable to the Company from April 1, 2020:-

- Definition of Material – amendments to Ind AS 1 and Ind AS 8
- Definition of a Business – amendments to Ind AS 103
- COVID-19 related rent concessions- amendments to Ind AS 116
- Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

The amendments listed above did not have any impact on the amounts recognised in current and prior periods and are not expected to significantly affect any future periods.

(d) Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There are no new standards or amendments to existing standards which have been notified by the MCA and not yet adopted by the Company.

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).
- 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 recognises 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)).

Notes to the Financial Statements

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.

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, residual value and the depreciation method are reviewed at least 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. Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. License for use and application of know-how and trademark are being amortised using the straight-line method over its useful life of 60 months, from the date it was available for use.

2.5. Impairment of assets

Assessment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset or Cash Generating Unit (CGU) is made. Recoverable amount is higher of an asset's or CGU's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent from those of other assets or groups of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a CGU. An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

2.6. 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.

Notes to the Financial Statements

2.7. Segment Reporting

The Company is engaged in the manufacture, distribution and marketing of pharmaceutical products and also provides clinical trial services to an overseas group company. For internal reporting purposes management has organised the Company into a single reportable segment i.e. Healthcare segment.

2.8. Inventories

Inventories are stated at the lower of cost or net realisable value. The cost of finished goods, traded goods 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.

2.9. 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

Notes to the Financial Statements

period, regardless of when the actual settlement is expected to occur.

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, in the nature of voluntary retirement benefits or those arising from restructuring, are recognised in the Statement of Profit and Loss when the Company has a present obligation as a result of past event, when a reliable estimate can be made of the amount of the obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

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.

2.10. 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 Plc, 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.

2.11. 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 provided to an overseas group company. The income from clinical trials is based on a 'cost plus' model as agreed with the said group company. As per the agreement, costs incurred internally are charged with a mark-up and those incurred externally are charged at actual. Revenue from services are recognised at a point in time after the Company's performance obligations are satisfied in accordance with the terms of arrangement with the group company.

Income from grant of exclusive distribution rights:

The Company recognises income from grant of exclusive distribution rights in the Statement of Profit or Loss at a point in time when the control has been transferred to the customer and the Company has satisfied its performance obligations in relation to transfer of such rights to the customer.

2.12. 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 reference to the principal outstanding and at the effective interest rate applicable, 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.

2.13. Leases

As a lessee

Effective April 1, 2019, the Company adopted Ind AS 116, 'Leases'. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise Right-of-use assets



Notes to the Financial Statements

and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is of a low value. The Company has used the 'modified retrospective approach' for transition from Ind AS 17, 'Leases'.

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 lessees, 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 individual 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 or 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 profit or 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 or Loss. Short term leases are lease with a lease term of 12 months or less.

2.14. 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.

2.15. 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 for financial reporting purposes 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 longer probable that sufficient future taxable amounts will be

Notes to the Financial Statements

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 or 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.

2.16. 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 best estimate of the expenditure required to settle the 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.

2.17. 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.

2.18. 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 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 amortised 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.

Notes to the Financial Statements

2.19. Trade and other payables

The amounts represent liabilities for goods and services provided prior to the end of financial year. 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.

2.20. 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.

2.21. 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.

2.22. Trade receivables

Trade receivables are initially recognised at their transaction price (fair value) and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

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, 2019	4.9	334.5	10.6	495.6	7.8	234.6	110.3	1,198.3	-	91.4
Transition impact of Ind AS 116	-	-	-	-	-	-	-	-	136.7	-
Restated gross carrying amount April 1, 2019	4.9	334.5	10.6	495.6	7.8	234.6	110.3	1,198.3	136.7	91.4
Additions	-	-	-	6.0	0.0	4.5	0.1	10.6	7.5	179.4
Disposals	-	1.7	-	3.4	0.0	19.6	-	24.7	-	-
Transfers	-	-	-	-	-	-	-	-	-	6.0
As at March 31, 2020	4.9	332.8	10.6	498.2	7.8	219.5	110.4	1,184.2	144.2	264.8
Additions	-	50.6	-	166.3	-	45.3	0.3	262.5	31.8	18.5
Disposals / Reversal	-	-	-	15.4	-	9.5	-	24.9	-	22.4
Transfers	-	-	-	-	-	-	-	-	-	216.9
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
Accumulated depreciation and impairment										
As at March 31, 2019	-	71.9	4.2	225.8	2.0	107.5	38.6	450.0	-	22.4
Depreciation charge	-	22.4	1.4	72.6	1.4	43.6	12.8	154.2	31.6	-
Disposals	-	1.4	-	2.8	-	18.5	-	22.7	-	-
As at March 31, 2020	-	92.9	5.6	295.6	3.4	132.6	51.4	581.5	31.6	22.4
Depreciation charge/ Impairment loss (Refer note b below)	-	23.4	1.4	76.8	1.4	47.9	12.7	163.6	33.9	3.8
Reversal of Impairment loss (Refer note c below)	-	-	-	-	-	-	-	-	-	22.4
Disposals	-	-	-	13.0	-	9.4	-	22.4	-	-
As at March 31, 2021	-	116.3	7.0	359.4	4.8	171.1	64.1	722.7	65.5	3.8
Net book value										
As at March 31, 2020	4.9	239.9	5.0	202.6	4.4	86.9	59.0	602.7	112.6	242.4
As at March 31, 2021	4.9	267.1	3.6	289.7	3.0	84.2	46.6	699.1	110.5	40.2

* Includes IT equipment.

0.0 represents amounts below rounding off norms adopted by the Company.

Notes:

a. Capital commitments: Refer note 32(a) for capital commitments for the acquisition of property, plant and equipment.

b. Represents impairment loss on an item of machinery identified as being unusable by the management.

c. Profit on sale of property, plant and equipment (net) includes reversal of impairment loss on an item of machinery which has been sold during the year. Refer note 23.



Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

4 Loans

	As at March 31, 2021	As at March 31, 2020
Non-current		
Loans considered good- secured	-	-
Loans considered good- unsecured		
Security deposits	39.0	34.0
Loans to employees	4.3	5.0
Loans which have significant increase in credit risk	-	-
Loans- credit impaired	10.5	10.5
Less: Loss allowance for doubtful deposits	(10.5)	(10.5)
	43.3	39.0
Current		
Unsecured, considered good		
Security deposits	0.9	4.4
Loans to employees	2.7	3.6
	3.6	8.0

5 Other financial assets

	As at March 31, 2021	As at March 31, 2020
Current		
Unsecured, considered good		
Interest accrued on deposits with banks	14.5	18.4
Receivable from related parties [Refer note 33(iv)]	42.1	97.3
	56.6	115.7

6 Current tax assets

	As at March 31, 2021	As at March 31, 2020
Advance tax [net of provision for income tax ₹ 440.9 (2020: ₹ 440.9)]	501.0	488.4
	501.0	488.4

7 Deferred tax assets

(a) The balance comprises temporary differences attributable to:

	As at March 31, 2021	As at March 31, 2020
Deferred tax assets		
Provision for employee benefits	83.3	100.2
Other expenses allowance on payment for tax purposes	13.3	12.4
Provision for doubtful advances	8.7	9.6
Allowance for expected credit loss (net)	27.9	21.0
Lease Liability	30.5	29.8
Difference between tax base and carrying amounts of property, plant and equipment	9.4	1.7
Total deferred tax assets	173.1	174.7
Deferred tax liabilities		
Right-of-use assets	(27.8)	(28.3)
Net deferred tax assets	145.3	146.4

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

(b) Movement in the deferred tax assets / (liabilities) :

	As at March 31, 2020	(charge) / benefit to the Profit or Loss	(charge) / benefit to Other Comprehensive Income	As at March 31, 2021
Deferred tax assets				
Provision for employee benefits	100.2	(5.4)	(11.5)	83.3
Other expenses allowance on payment for tax purposes	12.4	0.9	-	13.3
Provision for doubtful advances	9.6	(0.9)	-	8.7
Allowance for expected credit loss (net)	21.0	6.9	-	27.9
Lease Liability	29.8	0.7	-	30.5
Difference between tax base and carrying amounts of property, plant and equipment	1.7	7.7	-	9.4
	174.7	9.9	(11.5)	173.1
Deferred tax liabilities				
Right-of-use assets	(28.3)	0.5	-	(27.8)
	(28.3)	0.5	-	(27.8)
Net deferred tax assets	146.4	10.4	(11.5)	145.3

(b) Movement in the deferred tax assets / (liabilities) : (continued)

	As at March 31, 2019	Adjustment on adoption of Ind AS 116	As at April 1, 2019	(charge) / benefit to the Profit or Loss *	(charge) / benefit to Other Comprehensive Income	As at March 31, 2020
Deferred tax assets						
Provision for employee benefits	108.3	-	108.3	(24.7)	16.6	100.2
Other expenses allowance on payment for tax purposes	16.3	-	16.3	(3.9)	-	12.4
Provision for doubtful advances	13.0	-	13.0	(3.4)	-	9.6
Allowance for expected credit loss (net)	23.8	-	23.8	(2.8)	-	21.0
Lease Liability	-	46.5	46.5	(16.7)	-	29.8
Difference between tax base and carrying amounts of property, plant and equipment	-	-	-	1.7	-	1.7
MAT credit entitlement*	82.8	-	82.8	(82.8)	-	-
	244.2	46.5	290.7	(132.6)	16.6	174.7
Deferred tax liabilities						
Right-of-use assets	-	(47.8)	(47.8)	19.5	-	(28.3)
Difference between tax base and carrying amounts of Property, plant and equipment	(10.6)	-	(10.6)	10.6	-	-
	(10.6)	(47.8)	(58.4)	30.1	-	(28.3)
Net deferred tax assets	233.6	(1.3)	232.3	(102.5)	16.6	146.4

The tax impact for the above purpose has been arrived at by applying the tax rate of 25.17 % (2020 - 25.17%) being the prevailing tax rate under the Income Tax Act, 1961.

* Pursuant to a notification of the Taxation Laws (Amendment) Ordinance 2019, the Company had opted to pay tax as per Section 115BAA at the income tax rate of 22% (plus applicable surcharge and cess). Consequently, during the year ended March 31, 2020, the Company recognised the impact of remeasurement of the net deferred tax assets. Accordingly, the excess net deferred tax asset (including minimum alternate tax amounting to ₹ 82.8) of ₹ 124.6 was reversed in the Statement of Profit and Loss for the year ended March 31, 2020.

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

8 Other assets

	As at March 31, 2021	As at March 31, 2020
Non-current		
Unsecured, considered good		
Capital advances	0.0	2.4
Balances with Government Authorities	20.0	6.4
Prepaid expenses	0.1	0.1
	20.1	8.9
Unsecured, considered doubtful		
Advances to suppliers	0.6	4.5
Less: Provision for doubtful advances	(0.6)	(4.5)
	-	-
	20.1	8.9
Current		
Unsecured, considered good		
Balances with Government Authorities	64.6	195.0
Advances to suppliers	3.8	11.6
Prepaid expenses	83.9	82.8
Employee advances	1.7	1.3
	154.0	290.7
Unsecured, considered doubtful		
Balances with Government Authorities	35.3	35.3
Less: Provision for doubtful balances	(35.3)	(35.3)
	-	-
	154.0	290.7

9 Inventories

	As at March 31, 2021	As at March 31, 2020
Raw materials [includes in transit : ₹ NIL (2020: ₹ 17.0)] [Refer note (a) below]	200.0	223.3
Packing materials [Refer note (b) below]	21.4	23.9
Work-in-progress [Refer note (c) below]	37.4	12.2
Finished goods [Refer note (d) below]	326.4	230.2
Traded goods [includes in transit : ₹ 59.2 (2020: ₹ 72.1)] [Refer note (e) below]	995.0	1,145.9
Stores and spares	17.8	16.0
	1,598.0	1,651.5

Notes:

- Net of provision for raw materials amounting to ₹ 6.2 (2020: ₹ 8.4)
- Net of provision for packing materials amounting to ₹ 2.7 (2020: ₹ 3.6)
- Net of provision for work-in-progress amounting to ₹ NIL (2020: ₹ NIL)
- Net of provision for finished goods amounting to ₹ 0.2 (2020: ₹ 3.8)
- Net of provision for traded goods amounting to ₹ 1.8 (2020: ₹ 1.0)

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

10 Trade receivables

	As at March 31, 2021	As at March 31, 2020
Current		
Trade receivables considered good- secured	-	-
Trade receivables considered good- unsecured		
Related parties [Refer note 33(iv)]	85.1	45.0
Others	877.7	870.8
Less: Allowance for expected credit loss (net) [Refer note 38(ii)(a)]	(110.9)	(83.7)
Trade receivables which have significant increase in credit risk	-	-
Trade receivables- credit impaired	-	-
	851.9	832.1

11 Cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
Current accounts	30.1	17.0
Demand deposits with original maturity of less than 3 months	3,493.3	818.0
	3,523.4	835.0

12 Bank balances other than cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
Demand deposits with original maturity of 3 - 12 months	-	1,690.0
Unclaimed dividend accounts	0.1	0.2
	0.1	1,690.2

13 Equity share capital

	As at March 31, 2021	As at March 31, 2020
Authorised equity share capital		
Equity share capital of ₹ 2 each		
25,000,000 (2020: 25,000,000) equity shares	50.0	50.0

Reconciliation of the shares at the beginning and at the end of the reporting period

Equity shares	As at March 31, 2021		As at March 31, 2020	
	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: movement during the year	-	-	-	-
As at the end of the year	25,000,000	50.0	25,000,000	50.0



Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

(a) Issued equity share capital

	As at March 31, 2021	As at March 31, 2020
Equity shares of ₹ 2 each issued, subscribed and fully paid		
25,000,000 (2020: 25,000,000) equity shares	50.0	50.0

Reconciliation of the shares at the beginning and at the end of the reporting period

Equity shares	As at March 31, 2021		As at March 31, 2020	
	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 31 March, 2021		As at 31 March, 2020	
	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*	1,578,864	6.3%	1,303,432	5.2%

*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 31 March, 2021		As at 31 March, 2020	
	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.

14 Other equity

	As at March 31, 2021	As at March 31, 2020
Capital reserve	723.5	723.5
General reserve	531.3	531.3
Employee share compensation reserve	15.9	15.9
Retained earnings	3241.0	2323.7
	4,511.7	3,594.4

For movement in other equity, also refer Statement of changes in equity.

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

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, 2021	As at March 31, 2020
Current		
Micro and small enterprises (Refer note 41)	3.0	1.6
Related parties [Refer note 33(iv)]	414.4	816.2
Others	1,366.3	1,279.4
	1,783.7	2,097.2

16 Other financial liabilities

	As at March 31, 2021	As at March 31, 2020
Current		
Dealer deposits	2.0	2.0
Capital creditors	11.3	26.7
Payable to employees	380.6	320.5
Unclaimed dividends [Refer note below]	0.1	0.2
Liabilities for volume discounts	6.4	5.3
Payable for expenses	125.5	120.9
	525.9	475.6

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.



Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

17 Lease liabilities

	As at March 31, 2021	As at March 31, 2020
Non-current (Refer note 34)		
Lease liability	86.3	93.0
	86.3	93.0
Current (Refer note 34)		
Lease liability	35.1	25.4
	35.1	25.4
Net debt reconciliation		
Non-current lease liability	86.3	93.0
Current lease liability	35.1	25.4
Total net debt	121.4	118.4
Net Debt as on March 31, 2019		-
Additions on account of transition to Ind AS 116		(133.0)
Repayment of interest and principal		33.5
Interest cost on lease liabilities		(11.4)
Leases acquired during the year		(7.5)
Net debt as at March 31, 2020		(118.4)
Repayment of interest and principal		39.7
Interest cost on lease liabilities		(10.9)
Leases acquired during the year		(31.8)
Net debt as at March 31, 2021		(121.4)

18 Other liabilities

	As at March 31, 2021	As at March 31, 2020
Current		
Statutory liabilities	100.1	88.9
Refund liabilities for expected sales returns [Refer note below]	34.5	34.5
Deferred revenue	128.3	86.2
Others	1.9	-
	264.8	209.6

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.

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

19 Provisions

	As at March 31, 2021	As at March 31, 2020
Non-current		
Provision for employee benefits		
Provision for gratuity [Refer note 35(C)(f)]	-	26.0
Provision for provident fund [Refer note 35(C)(f)]	40.8	4.7
Provision for long term service awards	19.1	17.0
Provision for termination benefits	4.2	6.1
	64.1	53.8
Current		
Provision for employee benefits		
Provision for gratuity [Refer note 35(C)(f)]	1.3	60.2
Provision for provident fund [Refer note 35(C)(f)]	5.0	54.4
Provision for compensated absences	244.5	211.6
Provision for long term service awards	3.4	3.6
Provision for termination benefits	1.7	2.0
	255.9	331.8
Others		
Provision for indirect tax matters [Refer note (a)]	42.5	41.0
Provision for other obligations [Refer note (b)]	70.8	70.8
	113.3	111.8
	369.2	443.6
Movement of other provisions:	Indirect tax matters	Other obligations
Balance as on March 31, 2019	47.1	70.8
Provisions during the year	-	-
Amount written back during the year upon settlement of cases	(6.1)	-
Balance as on March 31, 2020	41.0	70.8
Provisions during the year	1.5	-
Amount written back during the year upon settlement of cases	-	-
Balance as on March 31, 2021	42.5	70.8

Notes:

- (a) Provision for indirect tax matters is created in respect of likely adverse outcome of indirect tax cases pending against the Company. The provision is based on management's estimate of probable outflow on account of settlement after considering advice obtained from external consultants of the Company, where considered necessary. Management cannot estimate with certainty the timing of the final outcome.
- (b) The Company had received a notice from Bruhat Bangalore Mahanagara Palike (BBMP) on August 7, 2014, followed by reminder notices, demanding ₹ 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, but based on legal advice, management, as a prudent accounting practice has provided for the amount claimed. The Company intends to pursue the necessary legal recourse in this matter. Management cannot estimate with certainty the timing of the final outcome.



Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

20 Current tax liabilities

	As at March 31, 2021	As at March 31, 2020
Current tax liabilities [net of advance tax ₹ 699.3 (2020: ₹ 398.6)]	56.3	21.0
	56.3	21.0

21 Income tax

(i) The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:

Income tax expense

	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax	336.0	315.1
Tax provision relating to earlier year*	12.3	-
Total Current tax	348.3	315.1
Deferred tax		
Decrease/(Increase) in deferred tax assets	(9.9)	132.6
(Decrease)/Increase in deferred tax liabilities	(0.5)	(30.1)
Total deferred tax (benefit)/charge	(10.4)	102.5
Income tax expense	337.9	417.6

*Pertains to settlement of demand under the Direct tax Vivaad Se Vishwaas scheme for an earlier year.

Tax recognised in Other Comprehensive Income (OCI)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Deferred tax related to items recognised in OCI during the year:		
Remeasurement of defined benefit plans	11.5	(16.6)
Income tax charged to OCI	11.5	(16.6)

(ii) Effective tax reconciliation

	As at March 31, 2021	As at March 31, 2020
Profit before tax	1,270.9	1,139.7
Enacted tax rate in India (%)	25.17%	25.17%
Expected tax expense (computed)	319.9	286.8
Add / (Less): Reconciling items:		
Expenses disallowed for tax purposes	5.7	6.2
Impact of change in the tax rate	-	41.8
MAT credit carried forward from earlier years written off upon adoption of Section 115BAA	-	82.8
Tax provision relating to an earlier year	12.3	-
Income tax expense	337.9	417.6

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, 2021	For the year ended March 31, 2020
Revenue from contracts with customers		
Sale of pharmaceutical products		
Finished goods	3,467.5	3,027.4
Traded goods	4,300.4	4,985.2
Sale of services to related parties- Clinical trials [Refer note 33(ii)]	317.7	305.1
Income from grant of exclusive distribution rights (Refer note 44)	50.0	-
Other operating revenue		
Scrap sales	-	0.4
	8,135.6	8,318.1

23 Other income

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income		
Interest income on deposits carried at amortised cost	89.3	122.3
Interest income on income tax refund	15.3	-
Other income		
Profit on sale of property, plant and equipment (net)	21.7	2.9
Miscellaneous income	2.1	4.7
	128.4	129.9

24 Cost of materials consumed

	For the year ended March 31, 2021	For the year ended March 31, 2020
Raw materials consumed	896.1	649.5
Packing materials consumed	76.5	52.6
	972.6	702.1

25 Purchase of traded goods

	For the year ended March 31, 2021	For the year ended March 31, 2020
Traded goods purchased	1,947.4	2,742.3
	1,947.4	2,742.3



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 traded goods

		For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the beginning of the year			
Finished goods		230.2	236.9
Work-in-progress		12.2	21.5
Traded goods		1,145.9	737.8
	A	1,388.3	996.2
Inventories at the end of the year			
Finished goods		326.4	230.2
Work-in-progress		37.4	12.2
Traded goods		995.0	1,145.9
	B	1,358.8	1,388.3
Changes in inventories	(A-B)	29.5	(392.1)

27 Employee benefits expense

	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, bonus and allowances	1,917.5	1,880.2
Gratuity [Refer note 35(iii)(C)(d)]	43.9	37.3
Contribution to provident and other funds (Refer note 35(i) and 35(iii)(C)(d))	105.5	95.8
Employee stock compensation expense [Refer note (a) below]	14.8	11.2
Staff welfare expenses	113.7	142.5
	2,195.4	2,167.0

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].

28A Other expenses

	For the year ended March 31, 2021	For the year ended March 31, 2020
Selling, marketing and distribution	452.1	557.6
Travel and conveyance	57.8	311.3
Legal and professional [Refer note (b) below]	240.7	243.4
Clinical trials	287.6	227.0
Power and fuel	73.7	77.2
Rent [Refer note 34]	3.9	12.9
Carriage outwards	59.9	53.4
Repairs and maintenance		
- Buildings	8.8	7.2
- Plant and machinery	40.7	37.8
- Others	11.3	19.1

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Rates and taxes	26.3	26.3
Remuneration to clearing and forwarding agents	47.4	40.3
Consumption of stores and spare parts	30.3	26.3
Communication expenses	47.8	31.4
Insurance	30.4	30.1
Net loss on foreign currency transactions	5.4	4.4
Expenditure towards Corporate Social Responsibility (CSR) activities (Refer note 40)	16.1	9.3
Royalty	38.0	38.1
Miscellaneous expenses	130.6	122.9
	1,608.8	1,876.0

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, 2021	For the year ended March 31, 2020
As auditor		
Audit fees	4.1	4.1
Tax audit fees	0.4	0.4
Reimbursement of out of pocket expenses	0.8	0.8
	5.3	5.3

(*) Excludes GST

28B Depreciation and impairment expense

	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on property, plant and equipment	163.6	154.2
Depreciation on right-of-use assets	33.9	31.6
Impairment loss on capital work in progress	3.8	-
	201.3	185.8

29 Finance cost

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest cost on lease liabilities (Refer note 34)	10.9	11.4
	10.9	11.4

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

30 Earning per share

	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit after tax	933.0	722.1
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	37.3	28.9

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, 2021	For the year ended March 31, 2020
Revenue from external customers		
Sale of pharmaceutical products		
- Tablets	7,102.6	7,385.2
- Injectables	546.3	489.8
- Inhalation	119.0	137.6
Income from grant of exclusive distribution rights (Refer note 44)	50.0	-
Revenue from related parties		
Sale of services to related parties- Clinical trials [Refer note 33(ii)]	317.7	305.1
Other operating revenue	-	0.4
	8,135.6	8,318.1

(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, 2021	For the year ended March 31, 2020
India	7,793.9	7,994.9
Outside India	341.7	323.2
	8,135.6	8,318.1

(c) Information about major customers

Revenue from sale of tablets of ₹ 1,241.4 (2020: ₹ 1,439.7) are derived from a single customer operating in the pharma industry.

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

(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.

32 Commitments and contingencies

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Commitments		
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	35.1	18.6

(b) Contingent liabilities

(i) Claims against the company not acknowledged as debts

Particulars	As at March 31, 2021	As at March 31, 2020
Indirect tax matters*	292.1	255.4
Income tax matters #	550.8	404.2

*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 service tax (GST) received in the current year and in 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 aforesaid contingent liabilities do not include any possible liabilities arising from an order issued to the Company, during the year, by a Transfer Pricing Officer relating to certain transfer pricing adjustments aggregating to ₹ 542.35 with approximate tax effect of ₹ 187.70 (excluding interest and penalty, if any). The final draft order after giving effect to such adjustments is yet to be passed by the Income Tax department.

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.

(c) Guarantee

Particulars	As at March 31, 2021	As at March 31, 2020
Bank guarantee issued to National Highways Authority of India	13.7	13.7



Notes to the Financial Statements

(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
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 AstraZeneca UK Limited, United Kingdom P.T. AstraZeneca Indonesia AstraZeneca Pty Ltd, Australia AstraZeneca SDN Bhd, Malaysia
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. Gagandeep Singh Bedi
- Director and Chief Financial Officer	Mr. Rajesh Marwaha
- Non-Executive Directors	Mr. Ian John Parish (upto May 18, 2020) Mr. Ankush Nandra (w.e.f. May 18, 2020) Ms. Weiying Sarah Wang
c) Independent Directors	
	Mr. Narayan K Seshadri
	Ms. Revathy Ashok
	Ms. Kimsuka Narasimhan

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, 2021	For the year ended March 31, 2020
Purchase of raw materials and traded goods		
AstraZeneca UK Limited, United Kingdom	2,188.3	2,782.7
AstraZeneca AB, Sweden	153.3	250.6
Payment towards reimbursement of expenses		
AstraZeneca UK Limited, United Kingdom	-	2.4
AstraZeneca Pty Ltd, Australia	12.2	6.6
Payment towards employee stock compensation expense, net of withholding tax		
AstraZeneca UK Limited, United Kingdom	8.4	8.2
Sale of services		
AstraZeneca AB, Sweden [Refer notes 22 and 31(a)]	317.7	305.1
Recovery of reimbursable expenses		
AstraZeneca UK Limited, United Kingdom	110.5	72.9
AstraZeneca AB, Sweden	10.7	93.8
P.T. AstraZeneca Indonesia	18.0	19.8
AstraZeneca Singapore Pte Ltd, Singapore	23.0	8.2
AstraZeneca Pharmaceuticals LP, USA	86.8	10.3
AstraZeneca SDN Bhd, Malaysia	10.2	3.9
Contribution to Trusts		
AstraZeneca Pharma India Limited Employees Gratuity Fund Trust [Refer note 35(iii)(C)(b)]	90.0	50.0
AstraZeneca Pharma India Limited Management Staff Provident Fund Trust [Refer note 35(iii)(C)(b)]	68.7	52.6
AstraZeneca Pharma India Limited Management Staff Superannuation Fund Trust [Refer note 35(i)]	12.8	12.6

(iii) (a) Transactions with Key Management Personnel

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salary and perquisites		
Short-term employee benefits	64.1	61.2
Long-term employee benefits	10.3	9.8
Post employment benefits	19.0	16.8
Employee share compensation expenses	5.6	4.6
	99.0	92.4

(iii) (b) Transactions with Independent Directors

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sitting fees paid to independent directors	3.2	3.8

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

(iv) Details of balances receivable from and payable to related parties are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Other current financial assets (Refer note 5)	42.1	97.3
AstraZeneca UK Limited, United Kingdom	27.1	29.1
AstraZeneca Pharmaceuticals LP, USA	5.0	2.7
AstraZeneca Singapore Pte Ltd, Singapore	7.2	1.7
P.T. AstraZeneca Indonesia	-	2.5
AstraZeneca SDN Bhd, Malaysia	2.8	1.2
AstraZeneca AB, Sweden	-	60.1
Trade receivables (Refer note 10)	85.1	45.0
AstraZeneca AB, Sweden	85.1	45.0
Trade payables (Refer note 15)	414.4	816.2
AstraZeneca UK Limited, United Kingdom	361.7	713.4
AstraZeneca AB, Sweden	49.0	96.2
AstraZeneca Pty Ltd, Australia	3.7	6.6

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

Particulars	As at March 31, 2021	As at March 31, 2020
Right-of-use assets (Refer note 3)		
Building	110.5	112.6
	110.5	112.6
Lease liabilities (Refer note 17)		
Current	35.1	25.4
Non-current	86.3	93.0
	121.4	118.4

Additions to Right-of-use asset during the current financial year	31.8	7.5
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(ii) Amount recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation charge of right-of-use assets			
Building	3	33.9	31.6
Interest expense on lease liabilities	29	10.9	11.4
Expense relating to short-term leases (included as 'rent' in other expenses)	28A	3.6	11.6
Expenses relating to lease of low value assets (included as 'rent' in other expenses)	28A	0.3	1.3
Expenses relating to variable lease payments		-	-
Total cash outflow for leases		39.7	33.5
(excluding payments relating to short-term and low value leases)			

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

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 27)

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, 2021	For the year ended March 31, 2020
Provident fund	30.2	30.6
Superannuation fund	12.8	12.6
Others*	0.0	0.0
	43.0	43.2

*0.0 represents amounts below rounding off norms adopted by the Company.

(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 ₹ 244.5 (2020: ₹ 211.6) 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.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Compensated absence recorded in the Statement of Profit and Loss	32.9	35.1
Significant assumptions used in estimating obligation for Compensated absence:		
Discount rate	6.20%	6.30%
Salary increase rate	10.00%	10.00%
Sensitivity analysis for significant assumptions:		
Discount rate		
1% Increase	(12.5)	(10.9)
1% Decrease	13.9	12.1
Salary increase rate		
1% Increase	12.7	11.6
1% Decrease	(11.9)	(10.1)



Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

(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	3/4 th 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.

For Field Staff [Professional Sales Representative (PSR)]: 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.

For Field Staff (PSR): 15 days salary 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.

(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, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Obligations at the beginning of the year	526.5	442.8	973.6	817.3
Current service cost	40.3	35.6	58.8	52.6
Interest cost	31.3	30.2	64.6	61.9
Benefits paid	(29.4)	(25.4)	(97.8)	(79.4)
Contribution by employees	-	-	101.0	87.5
Transfer in	-	-	41.6	23.0
Actuarial (gain)/loss	8.2	43.3	16.9	10.7
Obligations at end of the year	576.9	526.5	1,158.7	973.6

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

b) Change in fair value of plan assets

	Gratuity		Provident Fund	
	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Fair value of plan assets as at the beginning of the year	440.3	395.6	914.5	831.2
Return on plan assets	27.7	28.5	60.9	62.9
Employer contributions	90.0	50.0	68.7	52.6
Transfer in	-	-	41.7	23.0
Employee contributions	-	-	101.0	87.5
Benefits paid	(29.4)	(25.4)	(97.8)	(79.4)
Asset gain/(loss)	47.0	(8.4)	23.9	(63.3) [#]
Fair value of plan assets as at the end of the year	575.6	440.3	1,112.9	914.5

[#] Includes ₹ 45.0 recognised in an earlier year.

c) Effect Due to Asset Ceiling

	Gratuity		Provident Fund	
	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Asset ceiling at the beginning of the year	-	-	-	13.9
Interest on Asset Ceiling	-	-	-	1.0
Changes in Asset Ceiling	-	-	-	(14.9)
Asset ceiling at the end of the year	-	-	-	-

d) Amount recognised in statement of profit or loss under employee cost:

	Gratuity		Provident Fund	
	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Current service cost	40.3	35.6	58.8	52.6
Interest cost	31.3	30.2	64.6	61.9
Return on plan assets	(27.7)	(28.5)	(60.9)	(62.9)
Interest on Asset Ceiling	-	-	-	1.0
Net employee benefit expense/Net Provident fund cost (Refer note 27)	43.9	37.3	62.5	52.6

e) Re-measurement (gain)/loss recognised in other comprehensive income

	Gratuity		Provident Fund	
	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Actuarial (gain)/loss on liability	8.2	43.3	16.9	10.7
Asset (gain)/loss on assets	(47.0)	8.4	(23.9)	18.3*
Changes in asset ceiling (excluding interest income)	-	-	-	(14.9)
Net actuarial (gain)/loss	(38.8)	51.7	(7.0)	14.1

* Net of ₹ 45.0 recognised in an earlier year.



Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

f) Net defined benefit asset/(liability)

	Gratuity		Provident Fund	
	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Fair value of plan assets	575.6	440.3	1,112.9	914.5
Present value of the defined benefit obligations	576.9	526.5	1,158.7	973.6
(Deficit) / Surplus	(1.3)	(86.2)	(45.8)	(59.1)
Effect due to Asset Ceiling	-	-	-	-
Benefit asset/(liability)	(1.3)	(86.2)	(45.8)	(59.1)
Recognised under Provisions:				
Non-current provision (Refer note 19)	-	26.0	40.8	4.7
Current provision (Refer note 19)	1.3	60.2	5.0	54.4

g) Major category of plan assets are as follows:

	Gratuity		Provident Fund	
	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Insurer Managed funds	100.0%	100.0%	0.0%	0.0%
Equity instruments	0.0%	0.0%	3.7%	3.7%
Government securities	0.0%	0.0%	40.9%	55.3%
Debt instruments	0.0%	0.0%	54.6%	41.0%
Others	0.0%	0.0%	0.9%	0.0%

h) The principal assumptions used in estimating defined benefit obligations are as below:

Assumptions	Gratuity		Provident Fund	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Discount rate	6.20%	6.30%	6.20%	6.30%
Outstanding term of the liabilities	6.49 years	6.54 years	6.49 years	6.54 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:

- 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.
- 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.
- IALM represents Indian Assured Lives Mortality.

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

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.

A sensitivity analysis for significant assumptions:

	Gratuity		Provident fund	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Impact on defined benefit obligation				
Discount rate				
1% Increase	(32.26)	(29.83)	(1.49)	(16.76)
1% Decrease	36.42	33.49	2.16	34.37
Salary increase rate				
1% Increase	27.12	25.86	-	-
1% Decrease	(26.05)	(24.13)	-	-
Interest Rate Guarantee				
1% Increase	-	-	37.86	29.89
1% Decrease	-	-	(16.95)	(16.72)

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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Expected contribution for the next one year	66.5	60.2	69.1	95.4
Weighted average duration of defined benefit plan (years)	6.5	6.5	6.5	6.5

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

The expected maturity analysis of undiscounted gratuity and provident fund is as below:

	Gratuity		Provident fund	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Within next 12 months	66.5	60.2	157.9	151.6
Between 2 to 5 years	299.4	242.9	602.8	508.1
Between 6 to 10 years	787.4	481.0	524.4	430.8
Beyond 10 years	-	-	-	-
	1,153.3	784.1	1,285.1	1,090.5

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, 2021	For the year ended March 31, 2020
Expense arising from equity-settled share-based payment transactions (Refer note 27)	14.8	11.2

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, 2021		As at March 31, 2020	
	Number	WAFV (GBP)	Number	WAFV (GBP)
Outstanding at beginning of the year	7,718	62.0	6,856	53.2
Granted during the year	3,375	68.4	2,861	73.8
Forfeited during the year	232	60.6	-	-
Exercised during the year	(2,611)	48.7	(1,999)	48.8
Outstanding at end of the year	8,713		7,718	
Vested and exercisable at March 31	2,611		1,999	

Details of RSUs granted during the year:

	As at March 31, 2021	As at March 31, 2020
Date of Grant	March 5, 2021	March 6, 2020
Number of RSUs granted	3,375	2,861
Fair market value per RSU (in GBP)	68.4	73.8
Fair value (in GBP)	230,850	211,007
Expense recognised during the year	14.8	11.2

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, 2021		
	Amortised cost	FVTPL	FVTOCI
Financial assets			
Loans	46.9	-	-
Trade receivables	851.9	-	-
Cash and cash equivalents	3,523.4	-	-
Bank balance other than cash and cash equivalents	0.1	-	-
Other financial assets	56.6	-	-
	4,478.9	-	-
Financial liabilities			
Trade payables	1,783.6	-	-
Other financial liabilities	525.9	-	-
	2,309.5	-	-
	As at March 31, 2020		
	Amortised cost	FVTPL	FVTOCI
Financial assets			
Loans	47.0	-	-
Trade receivables	832.1	-	-
Cash and cash equivalents	835.0	-	-
Bank balance other than cash and cash equivalents	1,690.2	-	-
Other financial assets	115.7	-	-
	3,520.0	-	-
Financial liabilities			
Trade payables	2,097.2	-	-
Other financial liabilities	475.6	-	-
	2,572.8	-	-

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, GBP, EUR. 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, 2021		As at March 31, 2020	
		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
Financial assets (current)*	USD	0.0	0.4	-	-
Trade receivables	USD	1.2	85.1	0.6	45.0
Trade payables	GBP	(0.0)	(1.3)	(0.2)	(17.1)
	USD	(0.0)	(2.4)	(0.0)	(0.4)
	EUR	(0.1)	(5.6)	-	-
	AUD	(0.1)	(3.7)	(0.1)	(6.6)
Financial liabilities (current)*	EUR	-	-	(0.1)	(4.6)
	USD	-	-	(0.0)	(0.2)

* (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, 2021		As at March 31, 2020	
		Effect on profit before tax	Effect on equity	Effect on profit before tax	Effect on equity
USD					
Increase	5%	4.2	3.1	2.2	1.7
Decrease	-5%	(4.2)	(3.1)	(2.2)	(1.7)

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.

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.

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

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, 2021			
Upto 6 months	866.2	0%-27%	21.7
6 to 12 months	41.4	55%-100%	34.0
More than 12 months	55.2	100%	55.2
	962.8		110.9
As at March 31, 2020			
Upto 6 months	864.4	0%-30%	39.5
6 to 12 months	40.7	68%-100%	33.5
More than 12 months	10.7	100%	10.7
	915.8		83.7

The following table summarises the change in the loss allowances measured using life-time expected credit loss model:

	As at March 31, 2021	As at March 31, 2020
Opening balance	83.7	67.9
Impairment recognised	27.2	15.8
Impairment reversal	-	-
Closing balance (Refer note 10)	110.9	83.7

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.

The following table summarises the change in the loss allowances for other financial assets:

	As at March 31, 2021	As at March 31, 2020
Allowance for impairment		
Opening balance	10.5	9.3
Impairment (reversal)/ recognised	-	1.2
Closing balance	10.5	10.5

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, 2021			
Lease liabilities	35.1	86.3	121.4
Trade payables	1,783.7	-	1,783.7
Other financial liabilities	525.9	-	525.9



Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

	2,344.7	86.3	2,431.0
March 31, 2020			
Lease liabilities	25.4	93.0	118.4
Trade payables	2,097.2	-	2,097.2
Other financial liabilities	475.6	-	475.6
	2,598.2	93.0	2,691.2

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, 2021	As at March 31, 2020
Net debt*	121.4	118.4
Total equity	4,561.7	3,644.4
Net debt to equity ratio	2.7%	3.2%

* Net debt includes only lease liabilities (Refer note 17)

b. Dividend

Particulars	As at March 31, 2021	As at March 31, 2020
Equity shares		
Interim dividend of ₹ 2 (2020: ₹ 1) for fully paid up shares	50.0	25.0
Dividend distribution tax on Interim dividend	-	5.1

40 Corporate Social Responsibility

(a) Gross amount required to be spent by the Company during the year: ₹ 15.2 (2020: ₹ 9.3).

(b) Amount unspent during the year: ₹ NIL (2020: ₹ 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
-	-	15.2	16.1	-

(c) Amount spent during the year on:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above (Refer note 28A)		
- Charities Aid Foundation	16.1	9.3

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

- (d) Details of excess CSR expenditure under Section 135(5) of the Act:

Particulars	For the year ended March 31, 2021	For the year ended 31 March, 2020
Balance excess spent	-	-
Add: Amount required to be spent during the year	15.2	9.3
Less: Amount spent during the year	16.1	9.3
Balance excess spent	(0.9)	-

- (e) There are no ongoing CSR projects under Section 135(6) of the Act.

41 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, 2021	For the year ended March 31, 2020
i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.*	3.0	1.6
ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.#	-	0.0
iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.^	0.3	1.2
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
vi) Interest due and payable towards suppliers registered under MSMED Act, for payments already made.#	-	0.0
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.

42 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, 2021	For the year ended March 31, 2020
Domestic:		
Sale of products:		
Tablets	7,078.6	7,367.2
Injectables	546.3	489.7
Inhalation	119.0	137.6
	7,743.9	7,994.5
Income from grant of exclusive distribution rights (Refer note 44)	50.0	-
	50.0	-



Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Export:		
Sale of products:		
Tablets	24.0	18.0
Injectables	-	0.1
Revenue from sale of services- Clinical trials	317.7	305.1
	341.7	323.2
Total*	8,135.6	8,317.7
Disaggregation of revenue from sale of products on the basis of therapeutic area is as below:		
Cardiovascular	27.4%	37.2%
Diabetes	40.5%	38.4%
Oncology	30.6%	22.7%
Respiratory	1.5%	1.7%
	100.0%	100.0%

All revenues of the Company are recognised at a point in time.

- (ii) Revenue from sale of tablets and injectables includes an amount of ₹ 86.2 (2020 : ₹ 6.5) 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.

Sale of services:

In respect of clinical 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. 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 as at the year end.

(iv) Reconciliation of revenue recognised with Contract price

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Contract price	8,170.1	8,352.2
Adjustments for:		
Refund liabilities for sales returns (Refer note 18)	34.5	34.5
Revenue from operations*	8,135.6	8,317.7

*Excludes scrap sales amounting to ₹ Nil (2020: ₹ 0.4). Also refer Note 22.

Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

43 Voluntary Delisting

As previously disclosed, by way of a letter dated March 1, 2014, AstraZeneca Pharmaceuticals AB, the promoter of the Company had proposed a voluntary delisting of the Company's equity shares from the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE). Such proposed delisting was subject to an on-going inquiry with Securities Exchange Board of India (SEBI). During the year, SEBI completed the inquiry and issued an order dated June 5, 2020. The Company has filed a letter with the NSE and BSE on June 8, 2020 clarifying that the Company is not a noticee in the aforesaid order and being a target company in the delisting process, has no stake in the delisting proposal other than to comply with the mandatory requirements under Delisting Regulations and the procedures prescribed thereunder and the applicable provisions of the Companies Act, 2013.

44 Grant of Exclusive Distribution Rights

The Company had entered into a distribution agreement (the 'agreement') with a customer for specified products ("Products"). Pursuant to this agreement, during the current year ended March 31, 2021 an upfront fee of ₹ 50.0 (2020: ₹ NIL) was received from the customer towards marketing and promotion already carried out by the Company in order to create market presence for the products. Management determined that such marketing and promotion was a distinct service provided to the customer. The said upfront fee met the point in time recognition criteria as per Ind AS 115 and was recognised separately from the sale of products envisaged in the agreement.

The Company has an agreement with an overseas group company to receive reimbursement of certain costs incurred for the marketing and promotion for launch of new products, net of any upfront fee received by the Company from its customers. During the current year ended March 31, 2021, the Company incurred an aggregate expense of ₹ 40.1 (2020: ₹ NIL) towards marketing and promotion of new products

and accounted such expense under appropriate headings in the Statement of Profit and Loss. The aforesaid upfront fees received from the customer exceeds the aggregate expense incurred towards marketing and promotion of new products during the year and hence such expenses were not billed to the group 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 Impact of COVID-19 pandemic

The Company, which is in the manufacture and supply of essential goods, has considered the impact of the current second wave of COVID-19 in India and the resultant measures taken by various authorities including Central and State governments and local authorities, on its business and operations.

The Company has considered various internal and external information available up to the date of approval of financial statements in assessing the impact of pandemic on the financial statements for the year ended March 31, 2021. Management, based on its assessment of recoverability of carrying values of Property, Plant and Equipment, Inventories and Financial assets has concluded that no adjustments are required to be made in respect of such assets as at March



Notes to the Financial Statements

(All amounts in ₹ million, except per share and share data)

31, 2021. Further, management has evaluated and concluded that the current pandemic does not have a material impact on the operations and financial position of the Company and has concluded that there is no significant adverse impact on the liquidity position of the Company based on evaluation of future cash flows for the next one year.

Assessing the impact assessment of COVID-19 is, however, a continuing process given the uncertainties associated with its nature and duration. The Company will continue to closely monitor any material changes to future economic conditions.

47 Code on Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders suggestions. However, the date on which the code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

48 Previous year's figures have been regrouped/ reclassified wherever necessary, to conform with the current year classification.

For **Price Waterhouse & Co Chartered Accountants LLP**

Firm registration number: 304026E/ E-300009

Prasanna Padar Mahabala

Partner

Membership number: 206477

Place: Bengaluru

Date: May 25, 2021

Narayan K. Seshadri

Chairman

DIN: 00053563

Place: Mumbai

Date: May 25, 2021

Pratap Rudra B

Company Secretary

Place: Bengaluru

Date: May 25, 2021

Gagandeep Singh Bedi

Managing Director

DIN: 07844333

Place: Bengaluru

Date: May 25, 2021

Rajesh Marwaha

Director & Chief

Financial Officer

DIN: 01458768

Place: Bengaluru

Date: May 25, 2021

Ten Year Summary

Particulars	Unit	2020-21 Ind AS	2019-20 Ind AS	2018-19 Ind AS
Sales & Earnings				
Total income	₹	8,264.0	8,448.0	7,445.8
Profit before depn, int & tax	₹	1,483.1	1,336.9	876.0
Profit before int & tax	₹	1,281.9	1,151.1	726.7
Profit before tax	₹	1,270.9	1,139.7	726.7
Profit after tax	₹	933.0	722.1	544.5
Dividend paid	₹	50.0	30.1	-
Retained earnings	₹	967.3	672.9	538.5
Capital Employed				
Fixed Assets (PPE* + CWIP#)	₹	739.3	845.1	817.3
Right-of-use assets	₹	110.5	112.6	-
Investments	₹	-	-	-
Deferred tax assets	₹	145.3	146.4	233.6
Current Tax asset	₹	501.0	488.4	464.4
Other non current assets	₹	63.4	47.9	55.5
Working capital	₹	3,152.6	2,150.8	1,457.2
Total		4,712.1	3,791.2	3,028.0
Represented by				
Networth	₹	4,561.7	3,644.4	3,008.0
Share capital	₹	50.0	50.0	50.0
Reserves	₹	4,511.7	3,594.4	2,958.0
Total		4,561.7	3,644.4	3,008.0
Ratios				
Measures of Performance				
PBT to total income	%	15.4	13.5	9.8
PAT to total income	%	11.3	8.5	7.3
Material consumption to sales	%	38.0	38.1	33.8
Employee cost to sales	%	28.3	27.0	28.9
Net fixed assets to net worth	%	16.2	23.2	27.2
Fixed assets usage	Times	11.8	14.0	10.0
Measures of Investments				
Return on Networth	%	20.5	19.8	18.1
Earnings per share @	Rs	37.3	28.9	21.8
Dividend payout ratio	%	5.4	4.2	-
Dividend coverage ratio	Times	18.7	24.0	-
Measures of Financial Status				
Current ratio	Unit	2.0	1.7	1.6
Quick ratio	Unit	1.5	1.2	1.1
Inventory holding (on sales)	Days	75	75	63
Other information				
Contribution to exchequer	₹	1,159.8	1,445.8	1,014.6
Employee				
- Cost	₹	2,195.4	2,167.0	1,974.0
- Numbers		1,283	1,325	1,452
Number of shareholders		63,753	17,768	14,591
Dividend	%	100.0	50.0	-
Book value = net worth per share @	₹	182.5	145.8	120.3

* PPE refers to Property, plant and equipment

CWIP refers to Capital work-in progress



(₹ in Million)

2017-18 Ind AS	2016-17 Ind AS	2015-16	2014-15	2013-14	2012-13	2011-12
5,842.4	5,630.5	5,705.0	5,229.2	4,831.8	4,008.8	5,378.5
585.3	513.3	231.9	(55.6)	(37.6)	(579.9)	365.9
438.0	355.0	57.6	(208.4)	-	(702.7)	292.5
438.0	355.0	57.6	(208.4)	-	(702.7)	292.5
259.1	200.5	52.6	(208.4)	(5.1)	(895.3)	197.7
-	-	-	-	-	-	87.5
259.1	200.5	52.6	(208.4)	(5.1)	(895.3)	96.0
790.3	916.5	1,036.7	1,131.9	1,035.3	982.4	901.8
-	-	-	-	-	-	-
-	-	0.0	0.0	0.0	0.1	0.1
325.5	402.2	-	-	-	-	177.6
235.6	284.4	-	-	-	-	-
44.8	36.3	-	-	-	-	-
1,139.6	612.1	523.5	375.6	680.6	15.1	813.3
2,535.8	2,251.5	1,560.1	1,507.6	1,716.0	997.5	1,892.9
2,469.3	2,228.7	1,560.1	1,507.6	1,716.0	997.5	1,892.9
50.0	50.0	50.0	50.0	50.0	50.0	50.0
2,419.3	2,178.7	1,510.1	1,457.6	1,666.0	947.5	1,842.9
2,469.3	2,228.7	1,560.1	1,507.6	1,716.0	997.5	1,892.9
7.5	6.3	1.0	(4.0)	-	(17.5)	5.4
4.4	3.6	0.9	(4.0)	(0.1)	(22.3)	3.7
34.5	34.8	38.5	42.7	37.6	43.1	35.8
29.1	31.5	32.8	34.1	36.3	41.7	32.4
32.0	41.1	66.4	75.1	60.3	98.5	47.6
7.7	6.5	5.9	5.2	5.1	16.3	17.0
10.5	9.0	3.4	(13.8)	(0.3)	(89.8)	10.4
10.4	8.0	2.1	(8.3)	(0.2)	(35.8)	7.9
-	-	-	-	-	-	44.3
-	-	-	-	-	-	2.3
1.6	1.3	1.1	1.0	1.1	0.8	1.3
1.0	1.0	0.8	0.7	0.7	0.4	0.8
78	41	54	67	79	88	55
884.2	878.1	773.1	634.7	568.7	761.3	803.4
1,535.3	1,620.4	1,693.5	1,598.4	1,604.6	1,484.6	1,619.1
1,356	1,138	1,587	1,654	1,559	1,588	1,674
13,179	15,970	14,402	12,978	13,978	14,571	8,125
-	-	-	-	-	-	175.0
98.8	89.1	62.4	60.3	68.6	39.9	75.7



AstraZeneca Pharma India Limited

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This Annual Report is also available on our website
www.astrazeneca.com/india